

These materials require your immediate attention. You should consult your professional advisors in connection with the contents of these documents. If you have any questions regarding voting or other matters or if you wish to obtain additional copies of these materials, you may contact Ernst & Young Inc., which acts as the Monitor, at 800 René-Lévesque Blvd. West, Suite 1900, Montréal, Quebec, Canada, H3B 1X9 (Attention: QWI Creditors' Meeting), facsimile number: (514) 879-3993 and telephone number (toll-free): 1 (866) 516-0910.



**NOTICE OF MEETING AND
INFORMATION CIRCULAR
WITH RESPECT TO A PLAN OF REORGANIZATION AND
COMPROMISE**

pursuant to the

*Companies' Creditors Arrangement Act (Canada) and
the Canada Business Corporations Act*

involving

Quebecor World Inc.

May ●, 2009

This notice of meeting and information circular is being sent to certain creditors of Quebecor World Inc. in connection with the meeting of such creditors that is being convened to consider the plan of reorganization and compromise scheduled to be held on June 18, 2009 at 10:00 a.m. (Montréal Time) in the Salle de Bal of the Marriott Château Champlain, 1 Place du Canada, Montréal, Québec, Canada, H3B 4C9.

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LETTER TO AFFECTED CREDITORS

May ●, 2009

TO: Affected Creditors of Quebecor World Inc., as defined in the Plan (defined below)

Quebecor World Inc. (“**QWI**”) invites you to a meeting (the “**Creditors’ Meeting**”) which is scheduled to be held in the Salle de Bal of the Marriott Château Champlain, 1 Place du Canada, Montréal, Québec, Canada, H3B 4C9 at 10:00 a.m. (Montréal time), on June 18, 2009, to present, for your approval, a resolution relating to a proposed plan of reorganization and compromise (the “**Plan**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) the (“**CCA**”) and the *Canada Business Corporations Act*. Certain of QWI’s U.S. subsidiaries are pursuing a parallel reorganization in the United States and have submitted a separate plan of reorganization under applicable United States bankruptcy laws (the “**U.S. Plan**” and, together with the Plan, the “**Plans**”). Effectiveness of the Plan is conditional upon the effectiveness of the U.S. Plan, and effectiveness of the U.S. Plan is conditional upon the effectiveness of the Plan.

The purpose of the Plan is to restructure the capitalization of QWI and provide for the coordinated restructuring and compromise of the Affected Claims of Affected Creditors. The Plan is designed to:

- (i) complete a restructuring of QWI’s debt obligations and a reorganization of its capital structure; and
- (ii) reorganize QWI’s corporate structure to enable certain key businesses to better compete for third-party business and generate value for its stakeholders.

The Plans are the result of an extensive review of the available alternatives by QWI’s board of directors (the “**Board**”), its management, its financial and its legal advisors, with the assistance of Ernst & Young Inc., which is acting as the Monitor (as defined in the Plan), and lengthy negotiations with the various creditor groups.

We are now asking you to approve the Plan so that QWI can emerge as a viable going concern and focus its resources on serving its customers and building value for its stakeholders. We believe that the implementation of the Plan will contribute to QWI’s positioning as a stable and long-term competitor in the printing industry.

The Monitor believes that if the Plan is not implemented, the most likely alternative would be a liquidation of QWI’s assets under the CCA, the *Bankruptcy and Insolvency Act* or other statutes and the distribution of the net proceeds of such liquidation to Affected Creditors in accordance with their respective priorities. Based on the Liquidation Analysis prepared with the assistance of and reviewed by the Monitor and set out as Exhibit E — “*Liquidation Analysis*” to the Notice of Meeting and Information Circular accompanying this letter, the Monitor expects that there would be very little recovery for Affected Unsecured Creditors from the liquidation of the assets of QWI. Accordingly, for the reasons set out in Section VIII — “*Recommendation of the Monitor*” of the Circular and in the Monitor’s report, which will be made available to the Affected Creditors at the Creditors’ Meeting and will be posted on the Monitor’s website at www.ey.com/ca/quebecorworld as soon as practicable after it has been filed with the Court, the Monitor recommends that Affected Creditors vote **FOR** the resolution to approve the Plan.

The Board believes that the most likely alternative would be a liquidation of QWI’s assets under the CCA, the *Bankruptcy and Insolvency Act* or other statutes and the distribution of the net proceeds of

such liquidation to Affected Creditors in accordance with their respective priorities. The Board believes that the Plan will produce a more favourable result for the Affected Creditors and employees of QWI than would a liquidation of QWI's assets. Accordingly, the Board recommends that Affected Creditors vote **FOR** the resolution to approve the Plan.

The attached Notice of Meeting and Information Circular contains information to allow you to make a decision in respect of your vote at the Creditors' Meeting. To have your vote counted in respect of the resolution approving the Plan, please complete the enclosed Form of Proxy, printed on blue colour paper in respect of the Affected Syndicate/Soc. Gen. Class (as defined in the Plan) and on yellow colour paper in respect of the Affected Unsecured Creditor Class (as defined in the Plan), and, if applicable, an Election Notice. These must be received by the Monitor at any time prior to 5:00 p.m. (Montréal time) on June 17, 2009 or at any time prior to 5:00 p.m. (Montréal time) on the Business Day immediately preceding the date set for any adjournment, postponement or rescheduling thereof, or deposited with the chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting or any adjournment, postponement or rescheduling thereof. Beneficial holders of Senior Notes issued or guaranteed by QWI will receive a voting instruction form from their brokers, banks or other nominees, which voting instruction form may indicate an earlier cut-off for the receipt of voting instructions from such beneficial holders of Senior Notes.

Should you have any questions regarding the vote or other procedures or matters with respect to the Creditors' Meeting or the Plan, please contact the Monitor as follows:

- By telephone
(toll-free):** 1 (866) 516-0910
- By mail:** Ernst & Young Inc.
C.P. 4500, succ. B
Montréal, Québec, Canada H3B 5J3
Attention: QWI Creditors' Meeting
- By courier:** Ernst & Young Inc.
800 René-Lévesque Blvd. West, Suite 1900
Montréal, Québec, Canada H3B 1X9
Attention: QWI Creditors' Meeting (514) 879-8107
- By facsimile:** (514) 879-3993

Your vote at the Creditors' Meeting is important. Whether or not you expect to attend, please complete and return the enclosed Form of Proxy and, if applicable, an Election Notice, printed on colour-coded paper (or your voting instruction form if you are a beneficial holder of Senior Notes), which will ensure that you are represented at the Creditors' Meeting.

We thank you for your continued support, cooperation and confidence in QWI throughout our restructuring process.

Yours truly,

[Insert signature]

Jacques Mallette
President and Chief Executive Officer

NOTICE TO UNITED STATES CREDITORS

This Circular has been prepared in accordance with disclosure requirements and standards applicable in Canada. Affected Creditors should be aware that such requirements are different from those of the United States. The historical financial statements of the Corporation which are incorporated by reference into this Circular have been prepared in accordance with Canadian generally accepted accounting principles which may differ significantly from generally accepted accounting principles in the United States. The financial information contained in Exhibit F – “*Projections*” is based, in part, on estimates of values and assumptions and does not purport to represent what QWI’s actual financial position will be upon emergence from the CCAA Proceedings or represent what the fair value of QWI’s assets and liabilities will be at the Implementation Date.

Affected Creditors should be aware that the receipt of the securities described herein pursuant to the Plan may have tax consequences both in the United States and in Canada. Such consequences for Affected Creditors who are residents in, or citizens of, the United States may not be fully described in this Circular. See Sections VII.B “*Income Tax Considerations — Certain Canadian Federal Income Tax — Certain Canadian Federal Income Tax Considerations for U.S. Holders*” and VII.C “*Income Tax Considerations — Certain United States Federal Income Tax Considerations*” for information concerning tax consequences of the Plan for Affected Creditors who are U.S. taxpayers. The enforcement by Affected Creditors and other investors of civil liabilities under U.S. securities laws may be affected adversely by the fact that QWI is incorporated under the laws of a jurisdiction other than the United States, that some or all of its officers and directors may be residents of countries other than the United States, that some or all of the experts named in this Circular may be residents of countries other than the United States and that all or a substantial portion of the assets of QWI and such persons may or will be located outside the United States. **Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved any of the securities to be issued pursuant to the Plan or determined if this Circular is truthful or complete. Any representation to the contrary is a criminal offence.**

Notice to New Hampshire Residents:

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1995, AS AMENDED (“RSA”), WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE NEW HAMPSHIRE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
COURT NO: 500-11-032338-085**

S U P E R I O R C O U R T
Commercial Division
*Designated tribunal under the
Companies' Creditors Arrangement Act*

**IN THE MATTER OF THE PROPOSED PLAN OF REORGANIZATION AND COMPROMISE
OF QUEBECOR WORLD INC.**

NOTICE TO CREDITORS OF CREDITORS' MEETING

NOTICE IS HEREBY GIVEN that Quebecor World Inc. (the “**Corporation**”) has filed with the Quebec Superior Court (the “**Court**”) a plan of reorganization and compromise dated May [7], 2009 (as amended from time to time, the “**Plan**”) pursuant to the *Companies' Creditors Arrangement Act* (the “**CCAA**”) and Section 191 of the *Canada Business Corporations Act* (the “**CBCA**”).

A copy of the Plan is set out as Exhibit B — *Plan of Reorganization and Compromise*, to the notice of meeting and information circular dated May [7], 2009 (the “**Circular**”). Unless otherwise indicated, terms defined in the section of the Circular entitled “*Glossary of Terms*” shall have the same meanings in this Notice to Creditors of Creditors' Meeting.

The Plan contemplates the reorganization of the Corporation and the compromise of rights and claims of the Affected Creditors.

NOTICE IS ALSO HEREBY GIVEN to Affected Creditors that the Creditors' Meeting will be held in the Salle de bal of the Marriott Château Champlain, 1 Place du Canada, Montréal, Quebec, Canada H3B 4C9, at 10:00 a.m. (Montréal time), on June 18, 2009 for the purposes of:

- (i) considering and, if thought advisable, adopting a resolution to approve the Plan (the full text of which resolution is set out as Exhibit A — *Resolution* to the Circular), with or without variation; and
- (ii) transacting such other business as may properly come before the Creditors' Meeting.

The Creditors' Meeting is being held pursuant to the Creditors' Meeting Order made on May [14], 2009 by the Honourable Robert Mongeon of the Court. A copy of the Creditors' Meeting Order is set out as Exhibit C — *Creditors' Meeting Order* to the Circular.

Affected Creditors who wish to vote on the Resolution to approve the Plan must have submitted Proofs of Claim and proven their Claims in the manner and within the time specified in the Creditors' Meeting Order and the Claims Procedure Order, copies of which are set out as Exhibit C — *Creditors' Meeting Order* and Exhibit D — *Claims Procedure Order* to the Circular. Affected Creditors who do not have Voting Claims or Disputed Claims that have been accepted for voting purposes in compliance with the Creditors' Meeting Order and the Claims Procedure Order are entitled neither to attend nor vote at the Creditors' Meeting.

For the purpose of voting on and receiving distributions pursuant to the Plan, the Claims are divided into two classes, as set out in the Creditors' Meeting Order and the Plan. In order for the Plan to become

effective: (i) the Plan must be approved at the Creditors' Meeting by the affirmative vote of a majority in number, representing not less than two-thirds in value of the Voting Claims, of Affected Creditors voting in each class (in person or by Proxy); (ii) the U.S. Plan described in the Circular must become effective in accordance with its terms; and (iii) the conditions to the implementation and effectiveness of the Plan as described in the Circular must be satisfied or waived.

Any Affected Creditor who is entitled to vote at the Creditors' Meeting but is unable to attend the Creditors' Meeting may vote by dating, signing and returning the enclosed applicable colour-coded Form of Proxy and Election Notice (the "**Proxy**") in the return envelope provided in accordance with the instructions accompanying the Proxy. In order to be used at the Creditors' Meeting, a Proxy must be deposited with the Monitor, Ernst & Young Inc., at any time prior to 5:00 p.m. (Montréal time) on June 17, 2009 or by 5:00 p.m. (Montréal time) on the Business Day immediately preceding any adjournment, postponement or rescheduling thereof, or with the Chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting or any adjournment, postponement or rescheduling thereof.

For Affected Unsecured Creditors who intend to attend the Creditors' Meeting and want to elect to receive a cash distribution, they must also complete and sign the Proxy and deposit it with the Chair of the Creditors' Meeting before the commencement of the Creditors' Meeting.

Creditors are responsible for obtaining proof of delivery, if required, of such Proxies through their choice of delivery method. The Monitor will only accept Proxies that relate to the Plan, and any voting ballot or other document relating to the U.S. Plan may be disregarded and discarded.

The Monitor's coordinates for the purpose of filing Proxies and for obtaining any additional information or materials related to the Creditors' Meeting are:

By telephone

(toll-free): 1 (866) 516-0910

By mail:

Ernst & Young Inc.
C.P. 4500, succ. B
Montréal, Quebec, Canada H3B 5J3

Attention: QWI Creditors' Meeting

By courier:

Ernst & Young Inc.
800 René-Lévesque Blvd. West, Suite 1900
Montréal, Quebec, Canada H3B 1X9

Attention: QWI Creditors' Meeting (514) 879-8107

By facsimile: (514) 879-3993

Copies of documents related to the Creditors' Meeting will also be posted on the following website – www.ey.com/ca/quebecorworld.

NOTICE IS ALSO HEREBY GIVEN that in accordance with the provisions of paragraph 11.7(3)(c) of the CCAA, the Monitor shall file a report on the Plan and on the affairs of the Corporation with the Court on or before June 10, 2009. A copy of the Monitor's report will be made available at the Creditors' Meeting, and will be posted on the Monitor's website at www.ey.com/ca/quebecorworld as soon as it is filed with the Court.

NOTICE IS ALSO HEREBY GIVEN that if the Plan is approved at the Creditors' Meeting by the Affected Creditors and all other necessary conditions are met, the Corporation intends to file a motion presentable before the Court on June [30], 2009 at 10:00 a.m. (Montréal time) at 1 Notre Dame East Street, Montréal, Quebec, Canada H2Y 1B6 (the "**Sanction Hearing**") seeking an order sanctioning the Plan pursuant to the CCAA (the "**Sanction Order**"), and to file a motion for recognition of the said Sanction Order in accordance with the provisions of Chapter 15 of the U.S. Bankruptcy Code, without further notice. A copy of the motion for the Sanction Order will be filed on the Monitor's website, at www.ey.com/ca/quebecorworld, as soon as it is filed with the Court. Any Person intending to object to the motion seeking the Sanction Order must file with the Court, before 4:30 p.m. (Montréal time) no later than June 25, 2009, a written notice containing a description of its proposed grounds of contestation and shall effect service of same, within the same delay, to counsel to the Corporation and the Monitor, and to those persons listed on the Corporation's service list posted on the Monitor's website at www.ey.com/ca/quebecorworld.

DATED at Montréal, Quebec, this [25th] day of May, 2009.

ERNST & YOUNG INC.,
Monitor appointed by the Court in the matter of the
proposed plan of reorganization and compromise of
Quebecor World Inc. *et al.*

**IMPORTANT INFORMATION
ABOUT THIS NOTICE OF MEETING AND INFORMATION CIRCULAR**

This Circular contains important information that should be read before any decision is made with respect to the matters referred to herein. Unless otherwise indicated, the information presented in this Circular is given as at May ●, 2009. All summaries of and references to the Plan in this Circular are qualified in their entirety by references to the text of the Plan, which is set out in Exhibit B — “*Plan of Reorganization and Compromise*” to this Circular. Capitalized terms, except as otherwise defined in this Circular, are defined in the Section “*Glossary of Terms*”.

No Person is authorized to give any information or to make any representation in respect of the Plan not contained in or incorporated by reference into this Circular and, if given or made, such information or representation should not be relied upon. This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities described in this Circular, or the solicitation of a proxy, in any jurisdiction in which such an offer or solicitation is not authorized, or to or from any Person to or from whom it is unlawful to make such offer or solicitation. Neither the delivery of this Circular nor any distribution of the securities issued pursuant to the Plan will, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Circular.

The initial issuance of securities to Affected Creditors of the Corporation pursuant to the Plan will not be qualified by prospectus under applicable Canadian securities laws or registered under the U.S. Securities Act or the securities laws of any state of the United States. Such securities will instead be issued in reliance upon prospectus and dealer registration exemptions available under applicable Canadian securities laws or the exemption provided by Section 1145 of the Bankruptcy Code, Section 3(a)(10) of the U.S. Securities Act and/or exemptions under state securities laws. These securities will be generally freely tradeable in Canada subject to the restrictions more fully described under Section V.B “*The Plan — Description of the Plan — Canadian Securities Law Considerations*”. These securities will be generally freely transferable under United States federal securities laws, except for securities held by persons who are deemed to be “underwriters” of the Corporation prior to or after the implementation of the Plan. Such securities held by “underwriters” may be resold by them only pursuant to an effective registration statement filed under the U.S. Securities Act or pursuant to an exemption from the registration requirements of the U.S. Securities Act permitted by the resale provisions of Rule 144 or Regulation S under the U.S. Securities Act or as otherwise permitted under the U.S. Securities Act. See Section V.B “*The Plan — Description of the Plan — United States Securities Law Considerations*”.

Affected Creditors should carefully consider the income tax consequences of the Plan described herein. See Sections VII.B “*Income Tax Considerations*” below. Affected Creditors should not construe the contents of this Circular as investment, legal or tax advice. Affected Creditors should consult their own counsel, accountants and other advisors as to the legal, tax, business, financial and other aspects of the Plan.

PRESENTATION OF FINANCIAL INFORMATION

The historical financial statements incorporated by reference into this Circular have been prepared using the same accounting principles generally accepted in Canada (or “**Canadian GAAP**”), as applied by the Corporation prior to the CCAA Proceedings. While the Petitioners have filed for and been granted creditor protection, the Corporation’s historical financial statements continue to be prepared on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Corporation’s historical financial statements do not purport to reflect or provide for the consequences of the CCAA Proceedings.

For a discussion of the principal differences between Canadian GAAP and accounting principles generally accepted in the United States (or “**U.S. GAAP**”), as they relate to the Corporation’s financial statements, see Note 30 to the Corporation’s audited consolidated financial statements for the years ended December 31, 2006, 2007 and 2008 included in the Corporation’s annual report on Form 20-F incorporated by reference into this Circular.

The Corporation states its financial statements in U.S. dollars. In this Circular, references to Canadian dollars, Cdn\$ or C\$ are to the currency of Canada and references to U.S. dollars or U.S.\$ are to the currency of the United States. Unless otherwise indicated, financial information and operating data provided in this Circular is as of December 31, 2008, and all other information is provided as of the date of this Circular.

EXCHANGE RATE INFORMATION

The following table sets forth, for each period indicated, the high and low exchange rates for Canadian dollars expressed in U.S. dollars, the average of such exchange rates during such period, and the exchange rate at the end of such period, based upon the inverse of the noon spot rate published by the Bank of Canada:

	Three- months ended March 31, 2009	Year ended December 31,		
		2008	2007	2006
High.....	0.8458	1.0289	1.0905	0.9099
Low.....	0.7692	0.7711	0.8437	0.8528
Average.....	0.8028	0.9381	0.9304	0.8818
Period End.....	0.7935	0.8166	1.0120	0.8581

On May ●, 2009, the noon spot rate published by the Bank of Canada was Cdn\$● per U.S. dollar and the inverse of the noon spot rate was U.S.\$● per Canadian dollar. On May ●, 2009 the noon spot rate was Cdn\$● per U.S. dollar and the inverse of the noon spot rate was U.S.\$● per Canadian dollar.

FORWARD-LOOKING STATEMENTS

Caution regarding forward-looking information and statements and “Safe Harbor” statement under the United States Private Securities Litigation Reform Act of 1995:

To the extent any statements made in this Circular contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the U.S. Securities Act and Section 21E of the Exchange Act, as amended, and may be forward-looking information within the meaning of the “safe harbour” provisions of applicable Canadian securities legislation (collectively “**forward-looking statements**”). These forward-looking statements relate to, among other things, prospects of the Corporation’s industry and the Corporation’s objectives, goals, strategies, beliefs, intentions, plans, estimates and outlook, including, without limitation, statements concerning QWI’s emergence from insolvency, and can generally be identified by the use of words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “plan,” “foresee,” “believe” or “continue” or the negatives of these terms, variations on them and other similar expressions. In addition, any statements that refer to expectations, projections, including, for example, the financial projections attached to this Circular as Exhibit F, or other characterizations of future events or circumstances are forward-looking statements.

Although the Corporation believes that the expectations reflected in such forward-looking statements are reasonable, forward-looking statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, including, but not limited to, factors and assumptions regarding major forward-looking statements such as emergence from the Insolvency Proceedings, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things:

- the fact that QWI and many of its Subsidiaries are currently subject to the Insolvency Proceedings in both Canada and the United States;
- the Corporation’s ability to manage its business being restricted during the Insolvency Proceedings;
- general economic, financial or market conditions, including the current recessionary global market and economic conditions;
- cyclical and seasonal variations in the industries in which the Corporation operates;
- the intensity of competitive activity in the industries in which the Corporation operates;
- unanticipated higher capital spending being required in order to maintain the Corporation’s facilities and to address continued development of new equipment and technologies;
- concentration of the Corporation’s revenues being derived from long-term contracts;
- increases and volatility in the cost of raw materials and energy prices;
- technological changes that affect demand for the Corporation’s products and services;
- labour disruptions, including possibly strikes and labour protests;
- fluctuations in foreign currency exchange rates, interest rates and commodity prices;

- changes in laws and regulations, or in their interpretations; and
- other factors, including factors that are beyond the Corporation's control;

as well as other risks detailed from time to time in the Corporation's filings with the SEC and the CSA, available at www.sec.gov and www.sedar.com (copies of which are available on www.quebecorworld.com), as well as the Corporation's ability to anticipate and manage the risks associated with the foregoing. Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found in the Corporation's annual report on Form 20-F for the financial year ended December 31, 2008 incorporated by reference into this Circular. The Corporation cautions that the foregoing list of important factors that may affect future results is not exhaustive. Readers should carefully consider the foregoing factors and other uncertainties and potential events when relying on the Corporation's forward-looking statements to make decisions with respect to the Corporation.

Unless mentioned otherwise, the forward-looking statements in this Circular reflect the Corporation's expectations as of May ●, 2009, being the date at which they have been approved, and are subject to change after this date. The Corporation expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless it is required to do so under the applicable securities laws.

INFORMATION CIRCULAR

SUMMARY

The following summary is a general overview only, which is qualified in its entirety by, and should be read in conjunction with, the more detailed discussions, information, exhibits and financial statements and notes thereto appearing elsewhere in this Circular and the Plan attached hereto or incorporated by reference into this Circular. Unless otherwise indicated, terms defined in the section of the Circular entitled "Glossary of Terms" shall have the same meanings in this Summary.

Meeting

A meeting of the Affected Creditors with Voting Claims or Disputed Claims that have been accepted for voting purposes in compliance with the Creditors' Meeting Order will be held on June 18, 2009 in the Salle de Bal of the Marriott Château Champlain, 1 Place du Canada, Montréal, Québec, Canada, H3B 4C9. The purpose of the meeting is to consider and, if thought advisable, adopt, with or without variation, the Resolution to approve the Plan proposed by QWI under the CCAA and Section 191 of the CBCA. A copy of the Plan is set out as Exhibit B — "*Plan of Reorganization and Compromise*" to this Circular.

Affected Creditors who wish to vote on the Resolution to approve the Plan must have submitted Proofs of Claim, or must have had such Proofs of Claim submitted on their behalf, and proved their Claims in the manner and within the time specified in the Creditors' Meeting Order and in the Claims Procedure Order, copies of which are set out in Exhibit C — "*Creditors' Meeting Order*" and Exhibit D — "*Claims Procedure Order*", respectively, to the Circular. Affected Creditors who do not have Voting Claims or Disputed Claims that have been accepted for voting purposes in compliance with the Creditors' Meeting Order and the Claims Procedure Order are not entitled to attend or vote at the Creditors' Meeting or to receive distributions under the Plan. The procedure for valuing Affected Claims for voting and distribution purposes (including the specific solicitation and voting procedures applicable to Beneficial Senior Noteholders), and resolving disputes in respect of any such valuation, is set forth in the Claims Procedure Order, the Claims Protocol, the Creditors' Meeting Order and in the Plan.

Any Affected Creditor who is entitled to vote at the Creditors' Meeting but is unable to attend the Creditors' Meeting may vote by dating, signing and returning the enclosed applicable colour-coded Form of Proxy in the return envelope provided in accordance with the instructions accompanying the Form of Proxy. In order to be used at the Creditors' Meeting, a Form of Proxy must be sent to the Monitor, Ernst & Young Inc., by mail, delivery, courier or facsimile at the address set out below, at any time prior to 5:00 p.m. (Montréal time) on June 17, 2009 or at any time prior to 5:00 p.m. (Montréal time) on the Business Day immediately preceding the date set for any adjournment, postponement or rescheduling thereof:

By telephone
(toll-free): 1 (866) 516-0910

By mail: Ernst & Young Inc.
C.P. 4500, succ. B
Montréal, Québec, H3B 5J3

Attention: QWI Creditors' Meeting

By courier Ernst & Young Inc.

800 René-Lévesque Blvd. West, Suite 1900
Montréal, Québec, Canada H3B 1X9

Attention: QWI Creditors' Meeting (514) 879-8107

By facsimile: (514) 879-3993

Forms of Proxy may also be deposited with the Chair prior to the commencement of the Creditors' Meeting or any adjournment, postponement or rescheduling thereof.

Beneficial Senior Noteholders who wish to vote at the Creditors' Meeting must complete a Voting Instruction Form and return it to the Nominee and DTC Participant through which they own their Senior Notes in accordance with the instructions that will be outlined in the Beneficial Senior Noteholders' Meeting Materials. Beneficial Senior Noteholders should note that the Nominees and DTC Participants (or the agent designated by such Nominee and DTC Participant) may, in accordance with customary practices for the submission of votes by beneficial securityholders, set a cut-off time for the receipt of Voting Instruction Forms that is earlier than the cut-off time generally applicable to the submission of Forms of Proxy at the Creditors' Meeting, being 5:00 p.m. (Montréal time) on June 17, 2009 (or 5:00 p.m. (Montréal time) on the Business Day immediately preceding any adjournment, postponement or rescheduling of the Creditors' Meeting).

The Election Notice is included in the Form of Proxy. Each Affected Unsecured Creditor, other than a Senior Noteholder, depositing a Form of Proxy with the Monitor or the Chair in accordance with the provisions set forth in the Circular and eligible to make the election in the Election Notice may indicate in the Election Notice if it wishes to elect, as provided for in the Plan, to receive a cash distribution in full and final satisfaction of all of its Claims. The provisions of the Plan pertaining to such election are further summarized in Section V.B "*Description of the Plan — Compromise and Reorganization*" hereto. The Affected Unsecured Creditors who intend to attend the Creditors' Meeting and wish to elect to obtain a cash distribution must complete and sign the Election Notice and deposit it with the Chair of the Creditors' Meeting before the commencement of the Creditors' Meeting.

Please refer to Section II "*Creditors' Meeting and Voting Instructions*" for further details and instructions on the voting procedure at the Creditors' Meeting.

Background to the Plan

This Circular contains, among other things, descriptions and summaries of the Plan being proposed by QWI and the parallel reorganization being proposed by the U.S. Debtors in the Chapter 11 Cases. **Certain provisions of the Plan, and thus the descriptions and summaries contained herein, are the subject of continuing negotiations among QWI and various parties and have not been fully agreed upon and may be modified. Furthermore, QWI anticipates that the terms of the Plan, including the treatment of recoveries under the Plan, may be modified to conform with the terms of the U.S. Plan.**

The Corporation is a leader in providing high-value, complete market solutions, including pre-print, print and post-print services, to leading retailers, branded goods companies and catalogers as well as to leading publishers of magazines, books, directories and other printed media. The Corporation is also one of the few commercial printers able to serve customers on a regional, national and international basis. The Corporation is a leader in most of the services that it offers in its principal geographic markets. The Corporation's market-leading positions have been established through a combination of building long-

term partnerships with the world's leading print media customers, investing in key strategic technologies and expanding operations through acquisitions.

As discussed in more detail below, on the Determination Date, QWI together with each of the U.S. Debtors commenced a proceeding before the Superior Court for the Province of Quebec, Commercial Division, for the Judicial District of Montreal for a plan of compromise or arrangement under the CCAA. Each of the U.S. Debtors was joined in the CCAA Proceedings in order that each U.S. Debtor could obtain the protection of a stay under the CCAA as well as under the Bankruptcy Code. Also, on January 21, 2008, the U.S. Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York.

Between the Determination Date and the date hereof, QWI has undertaken a careful review of its business operations and implemented various restructuring efforts, including the divestiture of its European operations, in an effort to improve the Corporation's business results and financial condition. At the same time, QWI engaged in a series of detailed discussions with representatives of the holders of indebtedness outstanding under the Syndicate Agreement, under which Royal Bank of Canada is Administrative Agent, with an *Ad Hoc* Group of Noteholders, and with the Creditors' Committee appointed in the Chapter 11 Cases, regarding the terms of a potential restructuring of its equity and capital structure.

QWI has now reached agreement with certain of its principal creditors, including the lenders under the Syndicate Agreement and certain of the holders of the Senior Notes, regarding a restructuring of the obligations of QWI that QWI believes will enable it to emerge from the Insolvency Proceedings with the ability to carry out its business and maximizes the recovery to holders of Affected Claims.

As discussed in further detail herein, QWI believes that the most likely alternative to the Plan would be a liquidation of the Corporation's assets under the CCAA, the BIA or other statutes and the distribution of the net proceeds of such liquidation to creditors in accordance with their respective priorities. QWI believes the Plan will produce a more favourable result for the Affected Creditors than would a liquidation of the Corporation's assets while providing QWI with an opportunity to continue as a viable going concern with a recapitalized balance sheet and reduced expenses. Consequently, QWI strongly recommends that the Affected Creditors approve the Plan and vote in favour of the Resolution.

The Plan

The purpose of the Plan is to restructure the capitalization of QWI and provide for the coordinated restructuring and compromise of the Affected Claims of Affected Creditors. The Plan is designed to:

- (i) complete a restructuring of QWI's debt obligations and a reorganization of its capital structure; and
- (ii) reorganize QWI's corporate structure to enable certain key businesses to better compete for third-party business and generate value for its stakeholders.

For the purpose of voting on, and distributions pursuant to, the Plan, the Affected Claims are divided into classes as set out below:

- (i) the Affected Syndicate/Soc. Gen. Class, comprising the Holders of Affected Soc. Gen. Claims, being Société Générale (Canada) ("**Soc. Gen.**") as lender under the Equipment

Financing Agreement, and the Holders of Syndicate Affected Claims, being the lenders under the Syndicate Agreement; and

- (ii) the Affected Unsecured Creditor Class, comprising the Holders of all Affected Claims other than the Affected Creditors included in the Affected Syndicate/Soc. Gen. Class.

In accordance with the Plan, the Holders of Affected Syndicate Claims will receive in full satisfaction of their respective Proven Claims that are Affected Syndicate Claims: (i) the Syndicate Pro Rata share of [2,637,500] QWI Class A Preferred Shares and 5,770,328 QWI Common Shares; and (ii) [18.8]% of any recovery obtained by the Litigation Trust on account of the Contributed Claims net of the costs of administration of the Litigation Trust. Because the validity of the security claimed by Soc. Gen. has been challenged, the Affected Soc. Gen. Claims will not be accepted for distribution purposes and no distribution will be made in respect thereof pending determination of the validity of the security claimed by Soc. Gen. In the event that the security claimed by Soc. Gen. is determined to be valid and enforceable, the Holders of the Affected Soc. Gen. Claims will receive in full satisfaction of their respective Proven Claims that are Affected Soc. Gen. Claims, (i) the Soc. Gen. Pro Rata share of [2,637,500] QWI Class A Preferred Shares and 5,770,328 QWI Common Shares; and (ii) [4.45]% of any recovery obtained by the Litigation Trust on account of the Contributed Claims net of the costs of administration of the Litigation Trust.

In accordance with the Plan, each member of the Affected Unsecured Creditor Class who has filed an Election Notice with the Monitor by the Election Deadline, will receive, if eligible, in full and final satisfaction of its Proven Claims, a cash distribution in an amount equal to the lesser: of (i) Cdn.\$2,500; and (ii) the amount of its Proven Claim.

In accordance with the Plan, each member of the Affected Unsecured Creditor Class who has not filed an Election Notice with the Monitor by the Election Deadline, will receive, in full satisfaction of its Proven Claims that are Affected Unsecured Claims, its Pro Rata share of: (i) 16,277,308 QWI Common Shares; (ii) 10,723,019 Warrant Bundles; and (iii) 76.75% of any recovery obtained by the Litigation Trust on account of the Contributed Claims net of the costs of administration of the Litigation Trust.

Liquidation Analysis

The Corporation, with the assistance of the Monitor, has prepared a Liquidation Analysis in respect of QWI, attached to this Circular as Exhibit E — “*Liquidation Analysis*”. This analysis indicates that it is expected that in the event that the Plan is not accepted by the Affected Creditors or not implemented and a liquidation ensues, there would be very little recovery for Affected Unsecured Creditors from the liquidation of the assets of the Corporation.

Governance Matters

As part of the implementation of the Plan, a new Board will be constituted. Except for those directors who will remain on the Board, if any, the members of the new Board will be appointed effective as of the Implementation Date (see Section V.B “*The Plan — Description of the Plan — Corporate Governance*”). The directors of QWI will hold office until the first annual meeting of shareholders of QWI following the Implementation Date or until their successors are duly appointed or elected. It is expected that the number and identity of the individuals who will be appointed to the Board will be announced by way of press release prior to the Creditors’ Meeting.

Articles of Reorganization

As part of the QWI Reorganization undertaken concurrently with the implementation of the Plan and effective upon the Implementation Date, Articles of Reorganization of QWI will be filed under Section 191 of the CBCA, pursuant to which: (i) QWI's name will be changed to a name that is intended to be publicly announced by QWI before the Creditors' Meeting and in any event no later than the date of the Sanction Order; (ii) the Redeemable Shares will be created; (iii) each of the Existing QWI Shares will be changed into 0.000001 of a Redeemable Share; (iv) each of the Redeemable Shares will be redeemed in accordance with the rights, privileges, restrictions and conditions attaching thereto; (v) the authorized share capital of QWI consisting of the Existing QWI Shares and the Redeemable Shares will be cancelled and deleted, along with the rights, privileges, restrictions and conditions attached to such shares and all rights to accrued dividends in respect of all such classes and series of shares; and (vi) the QWI Shares and the rights, privileges, restrictions and conditions attaching thereto will be created. Certain additions to the stated capital accounts of the QWI Shares will also be made.

Claims not Subject to the Plan

The Plan does not affect or compromise the Excluded Claims. See Section V.B “*The Plan — Description of the Plan — Compromise and Reorganization — Excluded Claims and Post-Filing Claims*”.

Conditions to Implementation of the Plan

The implementation of the Plan by QWI is subject to certain conditions precedent, including, among others, the following:

- the Plan must be approved by the affirmative vote of a majority in number of the Affected Creditors voting in the class, having Voting Claims and voting on the Resolution (in person or by proxy) at the Creditors' Meeting for such class and representing not less than 66 2/3% in value of the Voting Claims of the Affected Creditors voting (in person or by proxy) at the Creditors' Meeting for such class;
- the Sanction Order must have been issued by the Court and all appeal periods expired and any appeals disposed of;
- the Exit Loan Facility, the Warrant Indenture, the issuance of the QWI Warrants, the Litigation Trust Agreement and all related agreements and other documents shall have become effective, subject only to the occurrence of the Implementation Date;
- all applicable approvals and orders of, and all applicable submissions and filings with Governmental Entities and stock exchanges having jurisdiction for the completion of the transactions contemplated by the Plan shall have been obtained or made; and
- all conditions precedent to the implementation of the U.S. Plan but for the implementation of the Plan shall have been satisfied or waived.

Court Approval and Sanction Hearing

If the Plan is approved at the Creditors' Meeting by the Affected Creditors and all other necessary conditions are met, the Corporation intends to bring a motion presentable before the Court on June [30], 2009 at 10:00 a.m. (Montréal time) at 1 Notre Dame East Street, Montréal, Quebec, Canada, H2Y 1B6 seeking an order sanctioning the Plan pursuant to the CCAA and Section 191 of the CBCA. Any Person

intending to object to the motion seeking the Sanction Order must file with the Court, before 4:30 p.m. (Montréal time) on June [25], 2009, a written notice containing a description of its proposed grounds of contestation and shall effect service of same, within the same delay, upon counsel to the Corporation and the Monitor, as well as upon those persons listed on the Corporation's service list published on the Monitor's website at www.ey.com/ca/quebecorworld

Risk Factors

Affected Creditors should carefully consider certain risk factors relating, among other things, to the business of the Corporation, the likelihood of the Plan being implemented or failing to be implemented and the issuance of the New Equity Securities. See Section VI "*Risk Factors*".

Income Tax Considerations

Certain tax considerations for Affected Creditors are described under Sections VII.B "*Income Tax Considerations*". Affected Creditors should consult their own tax advisors with respect to their individual circumstances.

Recommendations of the Board and the Monitor

For the reasons set out in Section VIII — "*Recommendation of the Monitor*", Section IX — "*Recommendation of the Board*" and in the Monitor's Report (to be filed with the Court prior to the Creditors' Meeting), each of the Board and the Monitor recommends that Affected Creditors vote **FOR** the Resolution to approve the Plan.

Additional Information and Inquiries

QWI files periodic reports and other information with the CSA and the SEC. These reports include certain financial and statistical information about the Corporation and may be accompanied by exhibits. This information may be found on QWI's website at www.quebecorworld.com, on the CSA website at www.sedar.com and on the EDGAR section of the SEC's website at www.sec.gov. Any documents referred to in this Circular may also be inspected at QWI's offices at 999 de Maisonneuve Boulevard West, Suite 1100, Montréal, Quebec, Canada, H3A 3L4.

GLOSSARY OF TERMS

In this Circular (including the Exhibits hereto), unless otherwise stated or the context otherwise requires:

“**4.875% Notes due 2008**” means the 4.875% senior notes due in 2008 issued pursuant to an indenture dated as of November 3, 2003 among Quebecor World Capital Corporation, as issuer, QWI, as guarantor, and Wilmington Trust Company (as successor to Citibank, N.A.), as trustee;

“**6.125% Notes due 2013**” means the 6.125% senior notes due in 2013 issued pursuant to an indenture dated as of November 3, 2003 among Quebecor World Capital Corporation, as issuer, QWI, as guarantor, and Wilmington Trust Company (as successor to Citibank, N.A.), as trustee;

“**6.50% Notes due 2027**” means the 6.50% senior notes due in 2027 issued pursuant to an indenture dated as of January 22, 1997 among Quebecor World Capital Corporation (f/k/a Quebecor Printing Capital Corporation), as issuer, QWI (f/k/a Quebecor Printing Inc.), as guarantor, and The Bank of New York (as successor to Chase Manhattan Bank), as trustee;

“**8.75% Notes due 2016**” means the 8.75% senior notes due in 2016 issued pursuant to an indenture dated as of March 6, 2006, and amended by a first supplemental indenture dated as of December 20, 2007, among Quebecor World Capital II GP, as issuer, QWI, QWUSA and Quebecor World Capital II LLC, as guarantors, and Wilmington Trust Company (as successor to Citibank, N.A.), as trustee;

“**9.75% Notes due 2015**” means the 9.75% senior notes due in 2015 issued pursuant to an indenture dated as of December 18, 2006, and amended by a first supplemental indenture dated as of December 20, 2007, among QWI, as issuer, QWUSA, Quebecor World Capital II LLC and Quebecor World Capital II GP, as guarantors, and Wilmington Trust Company, as trustee;

“**18.2 Claims**” means any amount owing to Her Majesty the Queen in Right of Canada or of any Province as described in Section 18.2 of the CCAA;

“**Ad Hoc Group of Noteholders**” means the ad hoc committee of holders of Senior Notes;

“**Administration Charge**” has the meaning ascribed to such term in the Initial Order;

“**Administrative Agent**” means Royal Bank of Canada in its capacity as administrative agent under the Syndicate Agreement, or any successor agent thereto;

“**Affected Claims**” means all Claims, other than Excluded Claims;

“**Affected Creditor**” means any Person that is a Holder of an Affected Claim and may, if the context requires, mean an assignee of an Affected Claim or a trustee, interim receiver, receiver manager, or other Person acting on behalf of such Person, if such assignee or other Person has been recognized by the Monitor, QWI or the Disbursing Agent, as the case may be;

“**Affected Soc. Gen. Claims**” means any Claim, whether secured or unsecured, of Soc. Gen. arising under the Equipment Financing Agreement;

“**Affected Syndicate Claims**” means any Claim, whether secured or unsecured, arising under the Syndicate Agreement or any other Loan Agreement (as defined in the Syndicate Agreement);

“**Affected Syndicate/Soc. Gen. Class**” means the class of creditors grouped in accordance with their Claims for the purposes of considering and voting on the Plan in accordance with the provisions of the Plan, and receiving distributions thereunder, such class being comprised of Soc. Gen. as the Holder of the Affected Soc. Gen. Claims and the Holders of the Affected Syndicate Claims;

“**Affected Unsecured Claims**” means all Affected Claims other than Affected Soc. Gen. Claims and Affected Syndicate Claims;

“**Affected Unsecured Creditor Class**” means the class of creditors grouped in accordance with their Claims for the purposes of considering and voting on the Plan in accordance with the provisions of the Plan and receiving distributions thereunder such class being comprised solely of the Affected Unsecured Creditors;

“**Affected Unsecured Creditor**” means a creditor that is the Holder of an Affected Unsecured Claim;

“**Affected Unsecured Creditor Litigation Trust Recovery**” means 76.75% of any Contributed Claims Recovery obtained by the Litigation Trust;

“**Allowable Capital Loss**” has the meaning ascribed to such term in Section VII.B hereto;

“**Allowed Insured Claim**” means a Proven Claim in respect of an Insured Claim;

“**Application for Bankruptcy Order**” means the application to the Quebec Superior Court (Court File Number 500-11-032383-081) by Avenue Capital Management II, L.P., Mackay Shields LLC, Oaktree Capital Management, L.P., and Variable Annuity Life Insurance Company, dated January 25, 2008, to have QWI adjudged bankrupt and to have a bankruptcy order made in respect of the property of QWI;

“**Articles of Reorganization**” means the articles of reorganization of QWI giving effect to the QWI Reorganization, a summary of which is attached as Schedule “B” to the Plan, which shall be in form and substance acceptable to the Creditors’ Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably, and which will be filed with the CBCA Director as contemplated by Section 5.1(i) of the Plan;

“**Bank Security**” has the meaning ascribed to such term in Section IV.B hereto;

“**Bankruptcy Code**” means the *Bankruptcy Reform Act of 1978*, as amended and codified in Title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as in effect on the Determination Date;

“**Beneficial Senior Noteholders**” means the ultimate beneficial holder of the Senior Note(s) holding such security(ies) in an account with a Nominee and DTC Participant, including, for greater certainty, a Nominee and DTC Participant, but only if and to the extent such Nominee and DTC Participant holds the Senior Note(s) as principal and on its own account;

“**Beneficial Senior Noteholders' Meeting Materials**” means, collectively, the Notice to Creditors, the Circular, the Voting Instruction Form and the Creditors’ Meeting Order;

“**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

“**Board**” means the board of directors of QWI, as constituted from time to time;

“**Business Day**” means a day, other than a Saturday, a Sunday, or a non-judicial day (as defined in Article 6 of the *Code of Civil Procedure*, R.S.Q., c. C-25, as amended) on which commercial banks are generally open for business in both Montréal, Quebec, Canada and New York, New York, USA;

“**Canadian Benefit Plans**” has the meaning ascribed to such term in Section VI hereto;

“**Canadian Holder**” has the meaning ascribed to such term in Section VII.B hereto;

“**Canadian Receivables Purchase Agreement**” has the meaning ascribed to such term in Section IV.A hereto;

“**Cash**” means, legal tender of either Canada or the United States, as the context requires;

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

“**CBCA Director**” means the Director appointed pursuant to Section 260 of the CBCA;

“**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada), R.S.C. 1985, c. C-36, as amended;

“**CCAA Charge**” has the meaning ascribed to such term in the Initial Order;

“**CCAA Proceedings**” means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA;

“**Chair**” means the person designated by the Monitor to preside as chairperson at the Creditors’ Meeting;

“**Chapter 11 Cases**” means the proceedings commenced under Chapter 11 of the Bankruptcy Code by the U.S. Debtors before the U.S. Court (Lead Case No. 08-10152);

“**Chapter 15 Petition**” has the meaning ascribed to such term in Section V.A hereto;

“**Chapter 15 Proceeding**” means the ancillary proceeding in respect of QWI which was filed under Chapter 15 of the Bankruptcy Code and which is pending before the U.S. Court (Case No. 08-13814);

“**Chief Restructuring Officer**” means, collectively, Randall Benson and the firm RC Benson Consulting Inc.;

“**Circular**” means this information circular relating to the Plan, including the Notice to Creditors and exhibits attached thereto and any written amendment, variation or supplement thereto;

“**Claim**” means any right of any Person or Persons against QWI in connection with any indebtedness, liability or obligation of any kind of QWI owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to

the Determination Date, or which would have been claims provable in bankruptcy had QWI become bankrupt on the Determination Date, and any Restructuring Claim;

“**Claims Bar Date**” means the applicable bar date or dates for filing Claims for voting purposes or distribution purposes as set out in the Claims Procedure Order;

“**Claims Officer**” means the individual(s) appointed pursuant to and in accordance with the Claims Procedure Order to act as Claims Officer;

“**Claims Package**” means the package for Creditors, including a Proof of Claim, an instruction letter explaining how to complete same, and a copy of the Claims Procedure Order;

“**Claims Procedure Order**” means the Order of the Court dated September 29, 2008 attached as Exhibit D hereto, establishing, among other things, procedures for proving Claims, including the Claims Protocol, as amended or supplemented from time to time by further Orders of the Court;

“**Claims Protocol**” has the meaning ascribed to such term in Section V.A hereto;

“**Completion Time**” means the time at which all of the events contemplated by Section 5.1 of the Plan have occurred or been completed, as applicable;

“**Contributed Avoidance Actions**” means such causes of action as the U.S. Debtors contribute to the Litigation Trust pursuant to the U.S. Plan;

“**Contributed Claims**” means, collectively, (i) the claims of the U.S. Debtors being asserted now or capable of being asserted in the future in the Private Notes Adversary Proceeding, (ii) the Contributed Avoidance Actions, and (iii) all recoveries from the causes of action referenced in clauses (i) and (ii) received by QWI or the U.S. Debtors, as applicable, prior to the Implementation Date;

“**Contributed Claims Recovery**” means any recovery obtained on account of the Contributed Claims net of the costs of administration of the Litigation Trust, including, but not limited to, repayment of the Funding Loan and fees associated with the litigation of the Contributed Claims that are incurred after the Implementation Date;

“**Convenience Claim**” means an Affected Unsecured Claim in respect of which the Holder has delivered an Election Notice in accordance with Section 2.5(b)(i) of the Plan;

“**Corporation**” means Quebecor World Inc. on a consolidated basis, including its partnerships, Subsidiaries and divisions and their respective predecessors;

“**Court**” means the Quebec Superior Court, Commercial Division for the District of Montréal;

“**CRA**” means the Canada Revenue Agency;

“**Creditors’ Committee**” means the official committee of unsecured creditors appointed pursuant to Section 1102(a) of the Bankruptcy Code in the Chapter 11 Cases on January 31, 2008, as reconstituted from time to time;

“**Creditors’ Meeting**” means, collectively, or when required by the context, one or any of, the meeting of the Affected Syndicate/Soc. Gen. Class and the meeting of the Affected Unsecured Creditor Class, in each case convened pursuant to the Creditors’ Meeting Order for the purpose of, among other things,

considering and, if deemed appropriate, passing the Resolution, and includes any adjournment, postponement or other rescheduling of such meeting;

“**Creditors’ Meeting Date**” means the date fixed for the Creditors’ Meeting under the Creditors’ Meeting Order;

“**Creditors’ Meeting Order**” means the Order of the Court dated May 14, 2009 attached as Exhibit C hereto, as it may be amended or supplemented from time to time by any further Orders of the Court which, among other things, sets the Creditors’ Meeting Date and establishes meeting procedures for the Creditors’ Meeting;

“**CSA**” means the Canadian Securities Administrators;

“**CVL**” has the meaning set out in Section V.A hereto;

“**Designated Newspapers**” means the Globe and Mail (national edition), the National Post, the Wall Street Journal and La Presse;

“**Determination Date**” means January 21, 2008;

“**DIP Credit Agreement**” means that certain senior secured superpriority debtor-in-possession credit agreement, dated as of January 21, 2008 (as subsequently amended by amendments dated as of January 25, 2008, February 26, 2008, March 27, 2008 and August 5, 2008) among QWI and QWUSA, as borrowers, the guarantors party thereto, Credit Suisse, as administrative agent, initial issuing bank and initial swing line lender, General Electric Capital Corporation and GE Canada Finance Holding Company, as collateral agent, Morgan Stanley Senior Funding, Inc. and Wells Fargo Foothill, LLC, as co-syndication agents, Wachovia Bank N.A., as documentation agent, and the initial lenders and the other lenders party thereto, as amended, supplemented, or otherwise modified from time to time, and all security, guarantee and other documents executed in connection therewith;

“**DIP Facility**” means the debtor-in-possession secured financing facility provided to the Corporation by the DIP Lenders pursuant to the DIP Credit Agreement as authorized by the Court pursuant to the Initial Order.

“**DIP Facility Claim**” means any Claim against QWI under or evidenced by (a) the DIP Credit Agreement and (b) the Initial Order.

“**DIP Lenders**” means, collectively (i) those entities identified as "Lenders" in the DIP Credit Agreement and their respective permitted successors and assigns (solely in their capacity as "Lenders" under the DIP Credit Agreement); and (ii) any agent bank named therein (solely in its capacity as agent bank under the DIP Credit Agreement);

“**DIP Lenders’ Charge**” has the meaning ascribed to such term in the Initial Order;

“**DIP Term Loan**” has the meaning ascribed to such term in Section V.A hereto;

“**Disallowed Claim**” means a Disputed Claim, or a portion of a Disputed Claim which has been disallowed and, in respect of which all appeal periods, as set out in the Claims Procedure Order, have expired;

“**Disbursing Agent**” means QWI or any other Person designated by it, in its sole discretion, to serve as a disbursing agent under the Plan and the U.S. Plan;

“**Disputed Claim**” means an Affected Claim or that portion thereof, that is subject to a Notice of Revision or Disallowance, or a Notice of Dispute, and in either case has become neither a Proven Claim nor a Disallowed Claim;

“**D&O Charge**” has the meaning ascribed to such term in the Initial Order;

“**DTC**” means The Depository Trust and Clearing Corporation, the global depository that holds global certificates representing the Senior Notes in the book-entry system as the registered holder of the Senior Notes;

“**Election Deadline**” means the time specified in the Creditors’ Meeting Order as the deadline for filing a Form of Proxy;

“**Election Notice**” means the election notice included in the Form of Proxy, which permits Affected Unsecured Creditors to make an election in accordance with Section 2.5(b) of the Plan;

“**Employee Plans**” has the meaning ascribed to such term in Section V.B hereto;

“**Equipment Financing Agreement**” means the credit agreement entered into between Soc. Gen., as lender, QWI, as borrower, and QWUSA, as guarantor, dated as of January 13, 2006, as amended and as further amended, restated or modified from time to time thereafter, and all security, guarantees and other documents executed in connection therewith;

“**E&Y**” means Ernst & Young Inc. in its capacity as Monitor duly appointed by the Court pursuant to the Initial Order and not in its personal capacity;

“**Exchange Act**” means the *United States Securities Exchange Act* of 1934, as amended;

“**Excluded Claims**” has the meaning ascribed to such term in Section V.B hereto;

“**Existing QWI Multiple Voting Shares**” means the multiple voting shares in the capital of QWI issued and outstanding immediately prior to the Implementation Date;

“**Existing QWI Preferred Shares**” means the first preferred shares, issuable in series in the capital of QWI, issued and outstanding immediately prior to the Implementation Date consisting of the Existing Series 3 Preferred Shares and the Existing Series 5 Preferred Shares, as well as the Series 2 Cumulative Redeemable First Preferred Shares and the Series 4 Cumulative Redeemable First Preferred Shares, of which none of the latter two (2) series are issued and outstanding as of the date hereof;

“**Existing QWI Shareholders**” means the holders of Existing QWI Shares;

“**Existing QWI Shares**” means the Existing QWI Multiple Voting Shares, the Existing QWI Subordinate Voting Shares and the Existing QWI Preferred Shares;

“**Existing QWI Subordinate Voting Shares**” means the subordinate voting shares in the capital of QWI issued and outstanding immediately prior to the Implementation Date;

“**Existing Receivables Facility**” has the meaning ascribed to such term in Section IV.B hereto;

“**Existing Receivables Facility Agent**” has the meaning ascribed to such term in Section IV.B hereto;

“**Existing Series 3 Preferred Shares**” means the Series 3 Cumulative Redeemable First Preferred Shares in the capital of QWI issued and outstanding immediately prior to the Implementation Date;

“**Existing Series 5 Preferred Shares**” means the 6.90% Series 5 Cumulative Redeemable First Preferred Shares in the capital of QWI issued and outstanding immediately prior to the Implementation Date;

“**Exit Loan Facility**” means the new financing arrangements to be entered into by QWI as at the Implementation Date, each of which shall be in form and substance acceptable to the Creditors’ Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably;

“**Face Amount**” means: (i) when used in reference to a Disputed Claim or a Disallowed Claim, the full stated liquidated amount claimed by the Holder of such claim in any proof of claim timely filed in accordance with the Claims Procedure Order; and (ii) when used in reference to a Proven Claim, the amount of such claim as agreed by QWI, or as otherwise finally determined, pursuant to the provisions of the Claims Procedure Order;

“**Final Distribution Date**” means the first Interim Distribution Date occurring after (i) the Monitor certifies to the Court that the last Disputed Claim shall have been finally resolved and (ii) a final order of the U.S. Court has been entered, or other final resolution has been reached with respect to all disputed claims under the U.S. Plan;

“**Form of Proxy**” means the form of proxy and election notice and instructions to Affected Creditors, substantially in the form as set out in Schedule “D” to the Creditors’ Meeting Order;

“**Former Holder**” has the meaning ascribed to such term in Section VII.B hereto;

“**Fourth Amendment**” has the meaning ascribed to such term in Section IV.B hereto;

“**Funding Loan**” has the meaning ascribed to such term in Section V.B hereto;

“**Governing Board**” has the meaning ascribed to such term in Section V.B hereto;

“**Governmental Entity**” means any: (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) subdivision, agent, commission, board, or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or, for the account of, any of the foregoing;

“**HHBV**” has the meaning ascribed to such term in Section III.B hereto;

“**Holder(s)**” means, when used with reference to the Claims of any Person, the Person who has filed such Claim with the Monitor provided that the Monitor has recognized such Person as the holder of such Claim or the Person who has been assigned a Claim of any Person so recognized, subject to compliance with the provisions of Section 6.3 of the Plan. For the purposes of the Plan, the Holders of the Affected Syndicate Claims shall be each Syndicate member to the extent of its share of the Affected Syndicate Claims and the Holder of a Senior Note Claim in respect of a Senior Note shall be the Beneficial Senior Noteholder and, other than for voting purposes, if the context requires, shall include, without duplication, the Indenture Trustee in respect of such Senior Note;

“Implementation Date” means the Business Day determined by QWI in consultation with the Creditors’ Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, after (i) all conditions to implementation of the Plan have been satisfied or, to the extent legally permissible, waived in accordance with the provisions of the Plan, and (ii) the filing by the Monitor of a certificate with the Court confirming it has been informed to its satisfaction that all such conditions have been satisfied or waived in accordance with the provisions of the Plan;

“Income Tax Convention” has the meaning ascribed to such term in Section VII.B hereto;

“Indenture Trustee” means a trustee appointed in respect of any issue or series of any of the Senior Notes;

“Initial Distribution Date” means a date chosen by QWI in its discretion, occurring as soon as reasonably practicable after the Implementation Date, but in any event no later than thirty (30) days after the Implementation Date;

“Initial Order” means the Order of the Court dated January 21, 2008, as amended from time to time, pursuant to which, among other things, the Petitioners were granted certain relief under the CCAA;

“Initial Distribution Record Date” means the fifteenth (15th) day prior to the Initial Distribution Date;

“Insolvency Proceedings” mean the CCAA Proceedings and the Chapter 11 Cases;

“Insolvency Protocol” has the meaning ascribed to such term in Section V.A hereto;

“Insurance Contract” means any policy of third party liability insurance under which QWI could have asserted or did assert, or may in the future assert, a right to coverage for any claim, together with any other contracts which pertain or relate to such policy;

“Insured Claim” means that portion of any Claim arising from an incident or occurrence alleged to have occurred prior to the Implementation Date: (i) as to which any Insurer is obligated pursuant to the terms, conditions, limitations, and exclusions of its Insurance Contract(s), to pay any judgment, settlement, or contractual obligation with respect to QWI, or (ii) that any Insurer otherwise agrees to pay as part of a settlement or compromise of a claim made under the applicable Insurance Contract(s);

“Insurer” means any company or other entity that issued, or is responsible for, a policy of third party liability insurance under which QWI could have asserted or did assert, or may in the future assert, a right to coverage for any claim under an Insurance Contract;

“Intercompany Claims” means a Claim against QWI by any Subsidiary;

“Interim Distribution Date” means the first (1st) Business Day occurring ninety (90) days after the Initial Distribution Date, and subsequently, the first (1st) Business Day occurring ninety (90) days after the immediately preceding Interim Distribution Date;

“Interim Distribution Record Date” means, with respect to any Interim Distribution Date, the fifteenth (15th) day prior to such Interim Distribution Date;

“Joint Administrators” has the meaning ascribed to such term in Section V.A hereto;

“Joint Claims Oversight Committee” has the meaning ascribed to such term in Section V.B hereto;

“Known Affected Creditors” means an Affected Creditor whose Affected Claim is included in QWI’s books and records;

“Laws” means all statutes, regulations, statutory rules, national and multilateral instruments, orders, judgments, decrees and terms and conditions of any grant of approval, permission, authority, permit or license of any court, Governmental Entity, statutory body or self-regulatory authority;

“Liquidators” has the meaning ascribed to such term in Section V.A hereto;

“Litigation Trust” means the litigation trust established pursuant to the U.S. Plan;

“Litigation Trust Agreement” means the agreement to be executed as of the Implementation Date establishing the Litigation Trust under the U.S. Plan and which shall be in form and substance acceptable to the Creditors’ Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably;

“Litigation Trust Beneficiaries” means Affected Creditors with Proven Claims, and such other beneficiaries as designated in the U.S. Plan to receive Litigation Trust Interests;

“Litigation Trustee” means the Person and any successor thereto appointed to act as trustee of, and to administer, the Litigation Trust;

“Litigation Trust Interests” means the beneficial interests in the Litigation Trust;

“Monitor” means E&Y and any successor thereto appointed in accordance with the Initial Order or any further Order of the Court;

“Monitor’s Report” means the report prepared by the Monitor with respect to the Plan, to be filed the Court at least 7 days before the Creditors’ Meeting, a copy of which will be posted to the Monitor’s website at www.ey.com/ca/quebecorworld as soon as possible after it has been filed with the Court.;

“New Equity Securities” means the QWI Shares and the QWI Warrants;

“New Securities” means the QWI Shares, the QWI Warrants and the Litigation Trust Interests;

“Newspaper Notice” means the notice of the Claims Procedure Order published in the Designated Newspapers on the Publication Date in accordance with the Claims Procedure Order, which shall set out the Claims Bar Date and be substantially in the form of Schedule “C” to the Claims Procedure Order;

“Nominees and DTC Participants” means banks, financial institutions, securities dealers or brokers, trust companies or other intermediaries identified as entities through which Beneficial Senior Noteholders hold Senior Notes in an account held therewith and that are participants in DTC, and **“Nominee and DTC Participant”** means any one of the Nominees and DTC Participants;

“Notice of Dispute” has the meaning ascribed to such term in the Claims Procedure Order;

“Notice of Revision or Disallowance” has the meaning ascribed to such term in the Claims Procedure Order;

“Notice to Creditors” means a notice of the Creditors’ Meeting Order and of the Creditors’ Meeting setting out the Meeting Date, substantially in the long and short forms attached to the Creditors’ Meeting Order as Schedule “C”;

“**NYSE**” means the New York Stock Exchange;

“**Omnibus Nominee and DTC Participant Form of Proxy**” means an omnibus form of proxy to be completed by each Nominee and DTC Participant that holds one or more Senior Notes in an account on behalf of a Beneficial Senior Noteholder and to be returned to the Monitor in accordance with the provisions of the Creditors’ Meeting Order, that will be in form and substance acceptable to the Monitor and prepared in accordance with customary practice;

“**Order**” means any order of the Court in the CCAA Proceedings;

“**Other Equity Securities**” means, collectively, any and all securities, options (including, for greater certainty, stock options and employee stock options), warrants, entitlements, conversion rights, exchange rights, incentive units, subscription rights, rights of first refusal, pre-emptive rights, or other rights, contractual or otherwise, whether vested or unvested, to acquire or receive any Existing QWI Shares or any other equity, voting, special or preferred share in the capital of QWI, or any other ownership interests in QWI, and any contracts, subscriptions, commitments or agreements pursuant to which a Person was or could have been entitled to receive shares, securities or other ownership interests in QWI;

“**Participating Eligible U.S. Unsecured Claimants**” means all holders of claims under Class 4 of the U.S. Plan in respect of claims in such class other than (i) claims that are Affected Unsecured Claims, or (ii) claims that entitle their holders to a distribution under Class 3 or Class 5 of the U.S. Plan;

“**Paulian Action**” means the adversary proceeding filed in Canada captioned Mackay Shields LLC, Variable Annuity Life Insurance Company, Avenue Capital Management II L.P. and OCM High Yield Limited Partnership v. QWI, Royal Bank of Canada, Société Générale (Canada) and Computershare Trust Company of Canada (Motion to institute a Paulian Action), Province of Quebec, District of Montréal, Superior Court (Commercial Division) No.: 500-11-034379-087;

“**Person**” means any individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, foundation, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

“**Petitioners**” means, collectively, QWI and the additional petitioners listed in Schedule “A” of the Plan;

“**PIK Dividends**” has the meaning ascribed to such term in Section VII.B hereto;

“**Plan**” means the Plan of reorganization and compromise of QWI pursuant to the provisions of the CCAA and Section 191 of the CBCA, as it may be amended, varied or supplemented by QWI from time to time in accordance with its terms, which plan incorporates and consolidates the QWI Reorganization;

“**Post-Filing Claims**” means any right of any Person against QWI in connection with any indebtedness, liability, or obligation of any kind which arose in respect of obligations first incurred on or after the Determination Date (other than Restructuring Claims) and interest thereon, including any obligation of QWI toward creditors who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to QWI on or after the Determination Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds on or after the Determination Date, or in respect of any executory contract or unexpired lease which has been deemed ratified pursuant to Section 7 of the Plan;

“Private Notes Adversary Proceeding” means the adversary proceeding filed in the Chapter 11 Cases captioned Official Committee of Unsecured Creditors of Quebecor World (USA) Inc. et. al., vs. American United Life Insurance Company, AUSA Life Insurance Company, Barclays Bank PLC, Deutsche Bank Securities Inc., Hare & Co., Life Investors Insurance Company of America, Midland National Life Insurance Company Annuity, Modern Woodmen of America, North American Company for Life and Health Insurance/Annuity, North American Company for Life and Health Insurance of New York, Provident Life and Accident Insurance Company, the Northwestern Mutual Life Insurance Company, The Paul Revere Life Insurance Company, Transamerica Life Insurance Company, and John Does 1-50 Adversary Case No. 08-01417 (Bankr. S.D.N.Y. Sept. 19, 2008) and any other avoidance actions related to the Private Notes (as such term is defined in the U.S. Plan) filed or as may be filed against the defendants named therein;

“Projections” means the projections of future performance covering the Corporation’s operations on a consolidated basis through fiscal year 2011, after giving effect to the Plan, as set forth in Exhibit F hereto;

“Proof of Claim” has the meaning ascribed to such term in the Claims Procedure Order;

“Pro Rata” means, at any time, the proportion that the Face Amount of an Affected Claim in a particular class bears to the aggregate Face Amount of all Affected Claims (including Disputed Claims, but excluding Disallowed Claims and Convenience Claims, and in the case of the Affected Unsecured Creditor Class, including the claims of Participating Eligible U.S. Unsecured Claimants unless the Plan provides otherwise;

“Proven Claim” means, in respect of an Affected Creditor, the amount or any portion of the amount of the Affected Claim of such Affected Creditor as finally determined for distribution purposes in accordance with the provisions of the Plan, the CCAA, the Claims Procedure Order, the Claims Protocol and any other applicable Order;

“Purchase Agreement” has the meaning ascribed to such term in Section IV.B hereto;

“QPHC” means Quebecor Printing Holding Company;

“QWCC” means Quebecor World Capital Corporation;

“QWF” means Quebecor World Finance Inc.;

“QWI” means Quebecor World Inc.;

“QWI Class A Preferred Shares” means the Class A convertible preferred shares in the capital of QWI, to which shall be attached the rights, privileges, restrictions and conditions that will be set forth in the Articles of Reorganization; provided, however, that with the consent of the Administrative Agent, the QWI Class A Preferred Shares may be issued by any of the Reorganized Debtors (as such term is defined in the U.S. Plan) or other U.S. Subsidiary of QWI, with terms and conditions substantially similar to those set forth in the New Share Provisions (as defined in the U.S. Plan) and which shall be exchangeable for QWI Common Shares rather than into common shares of the issuer thereof;

“QWI Common Shares” means the common shares in the capital of QWI to which shall be attached the rights, privileges, restrictions and conditions that will be set forth in the Articles of Reorganization;

“QWI Reorganization” means the amendments to QWI’s articles to be authorized and approved by the Court in the Sanction Order in accordance with Section 191 of the CBCA and pursuant to which: (i)

QWI's name will be changed to a name that is intended to be publicly announced by QWI before the Creditors' Meeting and in any event no later than the date of the Sanction Order; (ii) the Redeemable Shares will be created; (iii) each of the Existing QWI Shares will be changed into 0.000001 of a Redeemable Share; (iv) each of the Redeemable Shares will be redeemed in accordance with the rights, privileges, restrictions and conditions attaching thereto; (v) the authorized share capital of QWI consisting of the Existing QWI Shares and the Redeemable Shares will be cancelled and deleted, along with the rights, privileges, restrictions and conditions attached to such shares and all rights to accrued dividends in respect of all such classes and series of shares; and (vi) the QWI Shares and the rights, privileges, restrictions and conditions attaching thereto will be created.

"QWI Reserve" means the reserves to be established and maintained jointly under the Plan and the U.S. Plan by the Disbursing Agent, into which QWI and one or more of the U.S. Debtors, as applicable, shall have issued and deposited QWI Common Shares, QWI Class A Preferred Shares, QWI Warrants, New Unsecured Notes (as such term is defined in the U.S. Plan) and Cash that would be distributed to Holders of Disputed Claims under the Plan and disputed claims under the U.S. Plan if such Claims and disputed claims were to become Proven Claims or allowed claims under the U.S. Plan for the entire amount after the Initial Distribution Record Date, pending the proof or disallowance of such Disputed Claims and disputed claims in accordance with Article 4 of the Plan and the applicable provision under the U.S. Plan;

"QWI Shares" means, collectively, the QWI Common Shares and the QWI Class A Preferred Shares, excluding, for greater certainty, the Existing QWI Shares;

"QWI Warrants" means the Series I and Series II Warrants to be created and issued by QWI pursuant to the terms of the Warrant Indenture, certain of the terms of which are summarized in Schedule "C" to the Plan;

"QWI" means Quebecor World Inc.;

"QW Memphis" means QW Memphis Corp.;

"QW UK" has the meaning ascribed to such term in Section V.A hereto;

"QWUSA" means Quebecor World (USA) Inc.;

"Receivables Portfolio" has the meaning ascribed to such term in Section IV.B hereto;

"Receivables Sale Agreement" has the meaning ascribed to such term in Section IV.B hereto;

"Redeemable Shares" means the new class of redeemable shares of the capital of QWI to be created, issued and immediately redeemed by QWI pursuant to the Articles of Reorganization;

"Registration Rights Agreement" means the agreement, to be in form and substance acceptable to the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably, whereby QWI shall be obligated to register certain of the QWI Shares for resale with the SEC pursuant to the terms and conditions of such agreement;

"Rejected Employee Agreements" has the meaning ascribed to such term in Section V.A hereto;

"Released Parties" has the meaning ascribed to such term in Section V.B hereto;

"Remainder Assignment Agreement" has the meaning ascribed to such term in Section IV.B hereto;

“**Remainder Interest**” has the meaning ascribed to such term in Section IV.B hereto;

“**Required Majority**” means, for each class of Affected Creditors as provided in Section 2.3 of the Plan, the affirmative vote of a majority in number of the Affected Creditors voting in the class, having Voting Claims and voting on the Resolution (in person or by proxy) at the Creditors' Meeting for such class and representing not less than 66 2/3% in value of the Voting Claims of the Affected Creditors voting (in person or by proxy) at the Creditors' Meeting for such class, and “**Required Majorities**” means, collectively, the Required Majority of each class;

“**Resolution**” means, collectively, when required by the context, one or any of, the resolutions, substantially in the form attached as Exhibit A hereto, providing for the approval of the Plan by the Affected Creditors;

“**Restructuring Claim**” means any right of any Person against QWI in connection with any indebtedness, liability or obligation of any kind owed to such Person arising out of the repudiation, termination or restructuring of any contract, lease, employment agreement, or other agreement, whether written or oral, on or after the Determination Date, including any right of any Person who receives a notice of repudiation or termination from QWI, provided, however, that a “Restructuring Claim” shall not include any Excluded Claims;

“**Restructuring Transactions**” means the steps and transactions necessary or desirable to give effect to the transactions contemplated herein, as amended, varied or supplemented from time to time;

“**Restructuring Transactions Notice**” means the notice setting out and detailing substantially all of the Restructuring Transactions intended to be posted on the Monitor’s website on or before June 8, 2009;

“**Revolving DIP Facility**” has the meaning ascribed to such term in Section V.A hereto;

“**Sanction Date**” means the date on which the Sanction Order is made;

“**Sanction Order**” means the Order by the Court sanctioning the Plan pursuant to the CCAA and Section 191 of the CBCA as such Order may be amended, modified or varied from time to time;

“**SEC**” means the United States Securities and Exchange Commission;

“**Secondary Liability Claim**” means a Claim that arises from QWI being liable as a guarantor of, or otherwise being jointly, severally, jointly and severally (solidarily) or secondarily liable for, any contractual, tort, guarantee or other obligation of any U.S. Debtor, including any Claim based on: (i) vicarious liability; (ii) liabilities arising out of piercing the corporate veil, alter ego liability or similar legal theories; (iii) guarantees of collection, payments or performance; (iv) indemnity bonds, obligations to indemnify or obligations to hold harmless; (v) performance bonds; (vi) contingent liabilities arising out of contractual obligations or out of undertakings (including any assignment or transfer) with respect to leases, operating agreements or other similar obligations made or given by QWI or relating to the obligations or performance of any U.S. Debtor; or (vii) any other joint, several, or joint and several (solidary) liability, including Claims for indemnification or contribution or subrogation, that QWI may have in respect of any obligation that is the basis of a Claim;

“**Secured Claims**” means a Claim other than a CCAA Charge, an Affected Syndicate Claim or an Affected Soc. Gen. Claim, which is subject to a reservation of ownership, or secured by a security interest in or a lien on the property of QWI, which reservation of ownership is valid, or security interest or lien is valid, perfected and enforceable pursuant to applicable Laws or by reason of a Court Order, to the extent

of the value of such property, as of the Implementation Date or such other date as is established by the Court;

“**Secured Creditors**” means the Holders of the Secured Claims, in respect of those Claims;

“**Senior Notes Claim**” means any Claim arising under the Senior Notes;

“**Senior Noteholder**” means, as the case may require, a registered or Beneficial Senior Noteholder;

“**Senior Note Indentures**” means, collectively: (i) the indenture pursuant to which the 6.50% Notes due 2027 were issued; (ii) the indenture pursuant to which the 4.875% Notes due 2008 and the 6.125% Notes due 2013 were issued; (iii) the indenture (as supplemented) pursuant to which the 8.75% Notes due 2016 were issued; and (iv) the indenture (as supplemented) pursuant to which the 9.75% Notes due 2015 were issued;

“**Senior Notes**” means, collectively, (i) the 4.875% Notes due 2008, (ii) the 6.125% Notes due 2013, (iii) the 9.75% Notes due 2015, (iv) the 8.75% Notes due 2016 and (v) the 6.50% Notes due 2027;

“**Senior Notes Released Parties**” means, collectively, the Indenture Trustees and all current and former members of the Ad Hoc Group of Noteholders, in their respective capacities as such;

“**Series I Warrants**” means the series I warrants to be issued pursuant to the Warrant Indenture;

“**Series II Warrants**” means the series II warrants to be issued pursuant to the Warrant Indenture;

“**Servicer**” means any indenture trustee, agent, or servicer that administers any agreement that governs the rights of a Holder of an Affected Claim;

“**Soc. Gen.**” means Société Générale (Canada), as lender pursuant to the Equipment Financing Agreement;

“**Soc. Gen. Litigation Trust Recovery**” means [4.45]% of any Contributed Claims Recovery obtained by the Litigation Trust;

“**Soc. Gen. Pro Rata**” means [●]% of the Syndicate/Soc. Gen. Recovery;

“**Stay Period**” has the meaning ascribed to such term in the Initial Order;

“**Stay Termination**” has the meaning ascribed to such term in the Initial Order;

“**Subsidiaries**” means, collectively, all of the direct and indirect wholly-owned or otherwise controlled subsidiaries of QWI and the direct or indirect wholly-owned or otherwise controlled partnerships, limited partnerships or other entities of QWI immediately prior to the Implementation Date;

“**Syndicate**” means the lenders from time to time party to the Syndicate Agreement;

“**Syndicate Agreement**” means the amended and restated credit agreement entered into by QWI and QWUSA, as borrowers, QPHC, as guarantor, the Administrative Agent, and the Syndicate, as lenders, dated as of December 15, 2005 and as amended, restated or modified from time to time thereafter, and all security, guarantee and other documents executed in connection therewith;

“**Syndicate Agreement Collateral Agent**” means Computershare Trust Company of Canada, as collateral agent under the Syndicate Agreement, and any successor collateral agent under the Syndicate Agreement;

“**Syndicate Committee**” means the ad hoc committee of lenders under the Syndicate Agreement who serve as an advisor group to the Administrative Agent, which committee is comprised of the following lenders: ABN Amro Bank N.V. (as Cdn. Qualified Lender); Bank of America, N.A.; Bank of America, N.A., Canada Branch; Société Générale (solely in its capacity as a lender under the Syndicate Agreement and specifically not in its capacity as the lender under the Equipment Financing Agreement); Wachovia Bank, National Association; Wachovia Capital Finance Corporation (Canada); Deutsche Bank AG, Cayman Island Branch; Catalyst Fund Limited Partnership II; and Citigroup Financial Products Inc.;

“**Syndicate Compromise**” has the meaning ascribed to such term in the U.S. Plan;

“**Syndicate Litigation Trust Recovery**” means [18.8]% of any Contributed Claims Recovery obtained by the Litigation Trust;

“**Syndicate Pro Rata**” means [●]% of the Syndicate/Soc. Gen. Recovery;

“**Syndicate Released Parties**” means the holders of the Affected Syndicate Claims, Royal Bank of Canada, as Administrative Agent or in any other capacity under or in connection with the Syndicate Agreement, the Syndicate Agreement Collateral Agent, all lenders from time to time parties under the Syndicate Agreement, and/or all parties otherwise defendants in the Syndicate/Soc. Gen. Adversary Proceeding, but in all events shall not include Holders of Affected Soc. Gen. Claims in their capacities as such;

“**Syndicate/Soc. Gen. Adversary Proceeding**” means, collectively, the adversary proceeding filed in the Chapter 11 Cases captioned Official Committee of Unsecured Creditors of Quebecor World (USA) Inc. *et. al.*, vs. Royal Bank of Canada, Computershare Trust Company of Canada, Doe Credit Facility Lenders Nos. 1-100, Adversary Case No. 09-01012 (Bankr. S.D.N.Y. Jan. 16, 2009), and the Paulian Action;

“**Syndicate/Soc. Gen. Class A Preferred Share Distribution**” means [2,637,500] QWI Class A Preferred Shares;

“**Syndicate/Soc. Gen. Common Share Distribution**” means [5,770,328] QWI Common Shares;

“**Syndicate/Soc. Gen. Recovery**” means the aggregate of (i) the Syndicate/Soc. Gen. Class A Preferred Share Distribution, and (ii) the Syndicate/Soc. Gen. Common Share Distribution;

“**Tax**” or “**Taxes**” means any and all taxes, duties, fees, pending assessments, reassessments and other governmental charges, duties, impositions and liabilities of any kind whatsoever (including any Claims by Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the CRA and any similar revenue or taxing authority of any province or territory of Canada or other applicable jurisdiction), including all interest, penalties, fines and additions with respect to such amounts;

“**Tax Act**” means the *Income Tax Act* (Canada), and the regulations thereunder, as amended;

“**Tax Proposals**” has the meaning ascribed to such term in Section VII.B hereto;

“**Taxable Capital Gain**” has the meaning ascribed to such term in Section VII.B hereto;

“**TSX**” means the Toronto Stock Exchange;

“**UBS**” means UBS Investment Bank;

“**U.S. Bar Date Order**” means the order entered by the Bankruptcy Court on September 30, 2008 that established the bar date in the context of the Chapter 11 Cases, and any subsequent order supplementing such initial order or relating thereto;

“**U.S. Benefit Plans**” has the meaning ascribed to such term in Section VI hereto;

“**U.S. Court**” means the United States Bankruptcy Court for the Southern District of New York;

“**U.S. Debtors**” means the entities listed in Schedule “A” to the Plan;

“**U.S. Holder**” has the meaning ascribed to such term in Section VII.B hereto;

“**U.S. Plan**” means the first amended joint plan of reorganization of the U.S. Debtors dated May 5, 2009 as may be further amended, varied or supplemented from time to time, which U.S. Plan is accessible and can be obtained on the Monitor’s website at www.ey.com/ca/QuebecorWorld;

“**U.S. Receivables Purchase Agreement**” has the meaning ascribed to such term in Section IV.B hereto;

“**U.S. Securities Act**” means the *United States Securities Act* of 1933, as amended;

“**Voting Claim**” means, in respect of an Affected Creditor and its Affected Claim applicable to a particular Class, the Canadian dollar amount of the Claim of such Affected Creditor accepted for purposes of voting at the Creditors’ Meeting in accordance with the provisions of the Creditors’ Meeting Order;

“**Voting Instruction Form**” means the voting instruction form and accompanying instructions to be sent to each Nominee and DTC Participant (or to an agent designated by such Nominee and DTC Participant) and on-forwarded to Beneficial Senior Noteholders in respect of Senior Notes held by Beneficial Senior Noteholders through Nominees and DTC Participants for the purpose of counting and tabulating the voting instructions of Beneficial Senior Noteholders in respect of the matters to be voted on at the Creditors’ Meeting or any adjournment, postponement or rescheduling thereof and to be substantially similar in form and content to the Form of Proxy but adjusted for and addressed to Beneficial Senior Noteholders to reflect the fact that such Beneficial Senior Noteholders are not the registered holders of the Senior Notes, and which voting instruction form shall be in form and substance acceptable to the Monitor and prepared in accordance with customary practice and that will provide for the return of any such completed form to the relevant Nominee and DTC Participant (or to an agent designated by the relevant Nominee and DTC Participant);

“**Voting Record Date**” means May 8, 2009;

“**Warrant Bundle**” means one (1) Series I Warrant and one (1) Series II Warrant; and

“**Warrant Indenture**” means the warrant indenture under which QWI will issue the QWI Warrants, which indenture shall be in form and substance acceptable to the Creditors’ Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably.

I. INTRODUCTION

Quebecor World Inc., as a petitioner in the CCAA Proceedings, submits this Circular, in connection with the solicitation of votes for the approval of the Plan, which was filed with the Court on May [14], 2009. A copy of the Plan is set out as Exhibit B — “*Plan of Reorganization and Compromise*”.

The U.S. Debtors are pursuing a parallel reorganization in the United States as debtors and debtors-in-possession in the Chapter 11 Cases. The U.S. Debtors have submitted the U.S. Plan, which is consistent in substance with the terms of the Plan. The U.S. Debtors have been joined in the CCAA Proceedings, but QWI is not a debtor in the Chapter 11 Cases. To the extent that an Affected Creditor has an Affected Claim in respect of the same underlying obligation in both the Chapter 11 Cases and the CCAA Proceedings against one or more of the U.S. Debtors, such Affected Creditor will receive a single recovery in respect of such Affected Claim, which Affected Claim shall be satisfied as set forth in the Plan and in the U.S. Plan. Effectiveness of the Plan is conditional upon the effectiveness of the U.S. Plan in the Chapter 11 Cases, and effectiveness of the U.S. Plan is conditional upon the effectiveness of the Plan.

This Circular provides certain information regarding the history of the Corporation, significant events that have occurred during the CCAA Proceedings and the Chapter 11 Cases and the anticipated organization, operations and financing of QWI upon emergence from the CCAA Proceedings, the U.S. Debtors from the Chapter 11 Cases and QWI from the Chapter 15 Proceedings. This Circular also describes the terms and provisions of the Plan, including certain alternatives to the Plan, certain effects of Court sanction of the Plan, certain risk factors associated with the results and operations of the Corporation following emergence from insolvency and with the securities to be issued under the Plan and the U.S. Plan and the manner in which distributions will be made under the Plan. In addition, this Circular discusses the sanction process and the voting procedures that Affected Creditors must follow for their votes to be counted.

THIS CIRCULAR CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN DOCUMENTS RELATED TO THE PLAN, CERTAIN EVENTS IN THE CCAA PROCEEDINGS AND CERTAIN FINANCIAL INFORMATION. ALTHOUGH QWI BELIEVES THAT SUCH SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. FACTUAL INFORMATION CONTAINED IN THIS CIRCULAR HAS BEEN PROVIDED BY THE CORPORATION’S MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE CORPORATION DOES NOT WARRANT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT ANY INACCURACY OR OMISSION.

THIS CIRCULAR CONTAINS A SUMMARY OF THE STRUCTURE OF, CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS IN, AND IMPLEMENTATION OF THE PLAN. IT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN WHICH ACCOMPANIES THIS CIRCULAR AND TO THE SCHEDULES ATTACHED THERETO OR REFERRED TO THEREIN.

II. CREDITORS' MEETING AND VOTING INSTRUCTIONS

A. PROCEDURE FOR CREDITORS' MEETING

Pursuant to the Creditors' Meeting Order, the Creditors' Meeting has been convened for the purpose of considering and, if deemed advisable, adopting, with or without variation, the Resolution to approve the Plan. The Creditors' Meeting will be held in the Salle de Bal of the Marriott Château Champlain, 1 Place du Canada, Montréal, Québec, Canada, H3B 4C9 on June 18, 2009 at 10:00 a.m. (Montréal time).

The Creditors' Meeting will be held and conducted in accordance with the provisions of the Creditors' Meeting Order, notwithstanding the provisions of any other agreement or instrument. A Person designated by the Monitor shall preside as the Chair of the Creditors' Meeting and, subject to the Creditors' Meeting Order, shall decide all matters relating to the conduct of the Creditors' Meeting. The only Persons entitled to attend and speak at the Creditors' Meeting are Affected Creditors with Voting Claims and their proxy holders, representatives of the Petitioners, members of the boards of directors of the Petitioners, representatives of the Monitor, representatives of the Creditors' Committee, the Chair and their respective legal counsel and financial advisors. Any other Person may be admitted to the Creditors' Meeting on invitation of the Chair, in the Chair's sole discretion.

QWI will seek approval of the Plan by the affirmative vote of the Required Majorities. Any resolution, including the Resolution, to be voted on at the Creditors' Meeting to approve, amend, vary or supplement the Plan, which will be decided by the Required Majorities on a vote by ballot, and any other matter submitted for a vote at the Creditors' Meeting shall be decided by a majority of votes cast on a vote by a show of hands, unless the Chair decides, in his or her sole discretion, to hold such vote by way of ballot. The result of any vote will be binding on all Affected Creditors in the class, whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting.

The quorum for the Creditors' Meeting is one (1) Affected Creditor in the relevant class present in person or by proxy and entitled to vote at the Creditors' Meeting.

If the requisite quorum is not present at the Creditors' Meeting, then the Creditors' Meeting shall be adjourned by the Chair. If the Creditors' Meeting is adjourned, postponed or otherwise rescheduled by the Chair in his or her sole discretion or because quorum is not obtained, the Creditors' Meeting will be adjourned, postponed or otherwise rescheduled by the Chair to such date, time and place as may be decided by the Chair in his or her sole discretion. The Chair shall decide on the manner of giving notice to the Affected Creditors of the rescheduled meeting, and may, if he or she deems it appropriate, restrict such notice to a notice posted on the Monitor's website.

B. ENTITLEMENT TO VOTE

Affected Creditors shall be entitled to prove their respective Affected Claims, vote in respect of the Plan, and receive the distributions provided for, under and pursuant to the Claims Procedure Order, the Claims Protocol, the Creditors' Meeting Order and the Plan. The procedure for valuing Affected Claims for voting and distribution purposes (including the specific solicitation and voting procedures applicable to Beneficial Senior Noteholders), and resolving disputes in respect of any such valuation, is set forth in the Claims Procedure Order, the Claims Protocol, the Creditors' Meeting Order and in the Plan. All Affected Creditors should refer to the Claims Procedure Order, the Creditors' Meeting Order and the Claims Protocol for a complete description of the procedures pursuant to which Claims are valued. The Claims Procedure Order and the Creditors' Meeting Order provide for, among other things

(a) the Claims Bar Date prior to which Affected Creditors had to file Proofs of Claim in order to be entitled to vote on the Resolution, (b) the procedures pursuant to which the validity and value of the Claims of Affected Creditors are determined for voting and distribution purposes and (c) the conversion of Claims denominated in foreign currency into Canadian dollars. The Claims Protocol supplements the procedures established in the Claims Procedure Order with respect to the filing and determination of Claims against the Petitioners in Canada and the U.S. Debtors in the United States.

Claims Bar Date

Pursuant to the Claims Procedure Order, the Monitor published on October 8, 2008 and October 15, 2008, the Newspaper Notice in the Designated Newspapers and published on its website, on October 3, 2008, the Claims Package in English and French. In addition, the Monitor has sent to all Known Affected Creditors a copy of the Claims Package

In order for an Affected Creditor to be entitled to attend and vote, in person or by proxy, at the Creditors' Meeting, and receive distributions pursuant to the Plan, the Monitor must have received a Proof of Claim in respect of that Affected Creditor's Affected Claim on or before the Claims Bar Date as specified in the Claims Procedure Order. An Affected Creditor desiring to have another Person attend and vote on its behalf at a Creditors' Meeting must appoint a proxy in accordance with the procedures specified hereinbelow. The Claims Bar Date has been set at December 5, 2008 with respect to Affected Claims (other than a Restructuring Claim) and at the later of (A) December 5, 2008 or (B) 30 days after the date of receipt by the Affected Creditor of a notice advising the Affected Creditor to file a Proof of Claim as a result of a restructuring repudiation or termination of a contract, lease, employment agreement or other agreement on or after January 21, 2008, with respect to Restructuring Claims. If an Affected Creditor has failed to file its Proof of Claim or if no Proof of Claim has been filed on its behalf in accordance with the Creditors' Meeting Order, the Claims Procedure Order, the Claims Protocol or the Plan, prior to the relevant Claims Bar Date and has not been permitted to file a late claim pursuant to the Claims Procedure Order, that Affected Creditor shall be barred from voting at the Creditors' Meeting and receiving a distribution under the Plan, and QWI shall be released from the Affected Claims of such Affected Creditor and Section 5.3(b) of the Plan shall apply to all such Claims.

Examination of Proofs of Claim

In accordance with the Claims Procedure Order, the Monitor has the discretion to determine the adequacy of compliance in respect of a Proof of Claim and may waive strict compliance with the Claims Procedure Order if it is satisfied that a Claim has been adequately proven.

The Monitor will examine each Proof of Claim filed, and will either accept, revise or reject each Proof of Claim. If the Claim is accepted by the Monitor for voting purposes, the Monitor may, but is not required to, send notice of such acceptance to the Affected Creditor. If the Monitor decides to revise or reject a Proof of Claim for voting purposes, the Monitor will deliver a Notice of Revision or Disallowance in respect of the Affected Creditor's Claim. The Affected Creditor who receives such Notice of Revision or Disallowance and wishes to dispute shall, within ten (10) Business Days of the receipt of the Notice of Revision or Disallowance, send a Notice of Dispute to the Monitor setting out the basis for its dispute. The Monitor, with assistance of QWI, shall attempt to consensually resolve the disputed Claim. If the matter is not consensually resolved in a time period that the Monitor believes is appropriate, the Monitor shall, at its option, refer the Claim to a Claims Officer or to the Court. If the Affected Creditor does not provide such Notice of Dispute within the prescribed time period, such Affected Creditor shall be deemed to have accepted the determination of its Claim as set out in the Notice of Revision or Disallowance. QWI, the Affected Creditor or any Committee may appeal a Claims Officer's determination with respect to a disputed Claim within ten (10) Business Days of notification of such determination. If an appeal is

not filed within such time period, then the Claims Officer's determination shall be deemed to be final and binding and shall be a Voting Claim.

C. VOTING AT CREDITORS' MEETING

Classes of Claims

For the purpose of voting on, and distributions pursuant to, the Plan, the Affected Claims are divided into two (2) classes as set out below:

- (i) the Affected Syndicate/Soc. Gen. Class; and
- (ii) the Affected Unsecured Creditor Class.

Voting Claims

Each Affected Creditor with a Voting Claim shall be entitled to one (1) vote and the weight attributed to such vote (for the purposes of determining the Required Majorities) will be equal to the aggregate Canadian dollar value of such Affected Creditor's Voting Claim (if necessary, converted into Canadian dollars in accordance with the Creditors' Meeting Order). An Affected Creditor's Voting Claim shall not include fractional numbers and Voting Claims shall be rounded to the nearest whole Canadian dollar amount.

If the amount of the Affected Claim of any Affected Creditor is not resolved for voting purposes at least five (5) Business Days before the Creditors' Meeting Date in accordance with the Claims Procedure Order, the Claims Protocol and the Creditors' Meeting Order, the Affected Creditor shall be entitled to vote at the Affected Creditors' Meeting based on that portion of its Affected Claim which has been accepted for voting purposes by the Monitor, without prejudice to the rights of QWI, or the Affected Creditor, with respect to the final determination of the Affected Creditor's Claim for distribution purposes in accordance with the terms of the Claims Procedure Order, the Claims Protocol and the Creditors' Meeting Order and the Plan.

Affected Creditors whose Claims have been revised or disallowed, in full or in part, which revision or disallowance remains in dispute or under appeal in accordance with the Claims Procedure Order, shall have their voting intentions with respect to such disputed or disallowed amounts recorded by the Monitor and reported to the Court.

Transfer of Voting Claims

For the purposes of voting at the Creditors' Meeting, no assignee, transferee or purchaser of any Voting Claim who has acquired or became the assignee or transferee of such Voting Claim after the Voting Record Date will have any right or entitlement whatsoever to attend or vote at, either in person or by proxy, the Creditors' Meeting.

If an Affected Creditor with a Voting Claim (other than a Senior Note Claim or of an Affected Syndicated Claim, in respect of which the following does not apply) transfers all of its Voting Claim on or prior to the Voting Record Date and the name of such transferee does not appear as of the Voting Record Date as the Holder of such transferred or assigned Voting Claim, the transferee must deliver, not later than ten (10) Business Days prior to the Creditors' Meeting, evidence satisfactory to the Monitor of (A) its ownership of the whole of such Voting Claim as of the Voting Record Date, and (B) that such transfer or assignment was valid at Law, in order to be entitled to (i) receive from the Monitor its copy of the Creditors' Meeting Order, the Notice to Creditors, this Circular, the U.S. Plan, the Form of Proxy and

related instructions, (ii) be included on the list of Affected Creditors entitled to vote at the Creditors' Meeting and (iii) attend and vote, either in person or by proxy, the transferor's or assignor's Voting Claim at the Creditors' Meeting in lieu and to the exclusion of the transferor's or assignor's right to attend and vote at the Creditor's Meeting with respect to the transferred Voting Claim.

Transfer or Assignment of Affected Claims

For purposes of determining entitlement to receive any distribution pursuant to the Plan, QWI, the Disbursing Agent and the Servicers, and each of their respective agents, successors, and assigns shall have no obligation to recognize any transfer of Affected Claims unless and until notice of the transfer or assignment from either the transferor, assignor, transferee or assignee, together with evidence showing ownership, in whole or in part, of such Affected Claim and that such transfer or assignment was valid at Law, has been received by QWI, the Disbursing Agent or the Servicer, as the case may be, at least ten (10) Business Days prior to the Initial Distribution Record Date or any Interim Distribution Record Date.

Solicitation of Proxies

The solicitation of proxies on behalf of QWI will be primarily by mail and the costs of such solicitation will be paid by QWI as a cost of the CCAA Proceedings.

Voting by Proxy

Each Affected Creditor entitled to vote at the Creditors' Meeting may vote at the Creditors' Meeting in person or by proxy. A Form of Proxy for use at the Creditors' Meeting, printed on blue colour paper in respect to the Affected Syndicate / Soc. Gen. Class and on yellow colour paper in respect of the Affected Unsecured Creditor Class, accompanies this Circular. An Affected Creditor may use the applicable colour-coded enclosed Form of Proxy to appoint its proxy holder and may appoint any Person (who does not have to be an Affected Creditor) to act on its behalf at the Creditors' Meeting by inserting that Person's name in the blank space provided on the Form of Proxy enclosed with this Circular. If no name has been inserted in the space provided, the Affected Creditor will be deemed to have appointed any officer of Ernst & Young Inc., in its capacity as Monitor, or such other person as Ernst & Young Inc. may designate, as nominee of the Affected Creditor, with full power of substitution, to attend on behalf of and act for the Affected Creditor at the Creditors' Meeting and at any and all adjournments, postponements or other rescheduling thereof. A Form of Proxy must be signed by the Affected Creditor or its attorney duly authorized in writing or, if the Affected Creditor is not an individual, by its duly authorized officer or attorney. A Form of Proxy signed by a Person acting as attorney, or in some other representative capacity, should indicate such Person's capacity and should be accompanied by the appropriate instrument evidencing qualification and authority to act.

In order to be used at the Creditors' Meeting, a Form of Proxy must be sent to the Monitor, Ernst & Young Inc., by mail, delivery, courier or facsimile at the address set out below, at any time prior to 5:00 p.m. (Montréal time) on June 17, 2009 or at any time prior to 5:00 p.m. (Montréal time) on the Business Day immediately preceding the date set for any adjournment, postponement or rescheduling thereof:

By telephone
(toll-free): 1 (866) 516-0910

By mail: Ernst & Young Inc.
C.P. 4500, succ. B
Montréal, Québec, H3B 5J3

Attention: QWI Creditors' Meeting

By courier Ernst & Young Inc.
800 René-Lévesque Blvd. West, Suite 1900
Montréal, Québec, Canada H3B 1X9

Attention: QWI Creditors' Meeting (514) 879-8107

By facsimile: (514) 879-3993

Forms of Proxy may also be deposited with the Chair prior to the commencement of the Creditors' Meeting or any adjournment, postponement or rescheduling thereof.

Any Affected Creditor's Form of Proxy will be voted on any ballot in accordance with the Affected Creditor's instruction to vote for or against the approval of the Resolution and any other matters before the Creditors' Meeting. **In the absence of such instruction, the Form of Proxy will be voted FOR the approval of the Resolution.**

The Form of Proxy and the Voting Instruction Form enclosed with this Circular confers discretionary authority upon the Persons named therein with respect to amendments or variations to matters identified in the Notice to Creditors and with respect to any other matter that may properly come before the Creditors' Meeting. QWI may amend the Plan by written instrument at any time and from time to time before and during the Creditors' Meeting in accordance with the terms of the Plan. After the Creditors' Meeting, QWI may amend the Plan, as approved by the Affected Creditors, without the need for obtaining an Order if the Monitor determines that the proposed amendment would not be materially prejudicial to the interests of the Affected Creditors under the Plan or is necessary to give full effect to the intent of the Plan or the Sanction Order.

Revocation of Proxies

An Affected Creditor who has given a Form of Proxy may revoke it by an instrument in writing, including a later-dated Form of Proxy, executed by the Affected Creditor or its attorney duly authorized in writing or, if the Affected Creditor is not an individual, by a duly authorized officer or attorney, and delivered to the above described office of the Monitor at any time prior to 5:00 p.m. (Montréal time) on the last Business Day before the Creditors' Meeting or the date set for any adjournment, postponement or rescheduling thereof, or to the Chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting or any adjournment, postponement or rescheduling thereof.

Election Notice

The Election Notice is included in the Form of Proxy. Each Affected Unsecured Creditor other than a Senior Noteholder depositing a Form of Proxy with the Monitor or the Chair in accordance with the provisions set forth herein and eligible to make the election in the Election Notice may indicate in the Election Notice if it wishes to elect, as provided for in the Plan, to receive a cash distribution in full and final satisfaction of all of its Claims. The provisions of the Plan pertaining to such election are further summarized in Section V.B "*Description of the Plan — Compromise and Reorganization*" hereto. **An Affected Unsecured Creditor who has not made an election as provided in the Plan will be deemed to have elected NOT to receive a cash distribution.**

The Affected Unsecured Creditors who intend to attend the Creditors' Meeting and wish to elect to receive a cash distribution must complete and sign the Election Notice and deposit it with the Chair of the Creditors' Meeting before the commencement of the Creditors' Meeting.

All such elections once delivered to the Monitor will be final, unconditional and irrevocable, and no Affected Unsecured Creditor will be entitled to change, revoke or withdraw its election for a cash distribution after receipt by the Monitor of such Form of Proxy.

Voting Instructions for Beneficial Senior Noteholders

Senior Noteholders that hold their Senior Notes in an account held with a Nominee and DTC Participant are considered to be Beneficial Senior Noteholders. Notwithstanding the fact that each Indenture Trustee is the Person that has filed Proofs of Claim on behalf of Beneficial Senior Noteholders in respect of their Senior Note Claims for which such Indenture Trustee acts in accordance with the provisions of the Claims Procedure Order, each of the Beneficial Senior Noteholders shall be permitted to vote its respective Senior Note Claims as described below and in accordance with the Creditors' Meeting Order.

Beneficial Senior Noteholders will receive by mail from their Nominees and DTC Participants (or from an agent designated by such Nominee and DTC Participant) a package containing the Beneficial Senior Noteholders' Meeting Materials, which materials are comprised of (i) the Notice to Creditors, (ii) this Circular, (iii) a Voting Instruction Form and (iv) the Creditors' Meeting Order, together with a pre-paid return envelope. The Voting Instruction Form will permit Beneficial Senior Noteholders to provide instructions to their respective Nominees and DTC Participants as to how they wish to vote their Senior Note Claims at the Creditors' Meeting. The Voting Instruction Form will contain instructions relating to the signature and return of the document and these instructions should be carefully read and followed by Beneficial Senior Noteholders to ensure that their Senior Notes are accordingly voted at the Creditors' Meeting.

Beneficial Senior Noteholders should note that the Nominees and DTC Participants (or the agent designated by such Nominee and DTC Participant) may, in accordance with customary practices for the submission of votes by beneficial securityholders, set a cut-off time for the receipt of Voting Instruction Forms that is earlier than the cut-off time generally applicable to the submission of Forms of Proxy at the Creditors' Meeting, being 5:00 p.m. (Montréal time) on June 17, 2009 (or 5:00 p.m. (Montréal time) on the Business Day immediately preceding any adjournment, postponement or rescheduling of the Creditors' Meeting).

The Creditors' Meeting Order provides that only Persons who were Beneficial Senior Noteholders as at the Voting Record Date are entitled to receive the Beneficial Senior Noteholders' Meeting Materials and to provide instructions with respect to Senior Note Claims at the Creditors' Meeting. Beneficial Senior Noteholders may vote their Senior Notes that are held by their Nominees and DTC Participants in one of two manners, namely either (i) in person at the Creditors' Meeting or (ii) by appointing a legal proxy.

Voting in Person

A Beneficial Senior Noteholder who wishes to vote its Senior Notes in person at the Meeting must instruct its Nominee and DTC Participant to do so by the Beneficial Senior Noteholder inserting its own name in the space provided on the Voting Instruction Form in order to appoint itself as appointee. It must also follow the signature and return instructions provided by its Nominee and DTC Participant (or the agent designated by such Nominee and DTC Participant). A Beneficial Senior Noteholder who appoints itself as appointee should present itself at the Creditors' Meeting to a representative of the Monitor. A Beneficial Senior Noteholder should not otherwise complete the Voting Instruction Form that it receives from its Nominee and DTC Participant (or from the agent designated by such Nominee and DTC Participant) as its vote will be taken and counted in person at the Creditors' Meeting.

Voting by Proxy

A Beneficial Senior Noteholder who wishes to vote its Senior Notes by designating a Person other than itself as its appointee must insert the name of such other Person in the space provided on the Voting Instruction Form in order to appoint that other Person as its appointee and follow the signature and return instructions provided by its Nominee and DTC Participant (or the agent designated by such Nominee and DTC Participant). If a Beneficial Senior Noteholder signs and returns its duly completed Voting Instruction Form with voting instructions indicated but without having designated an appointee, it will be deemed to have appointed a representative of the Monitor as its appointee with full power and authority to vote its Senior Claim at the Creditors' Meeting.

After having received the Voting Instructions Forms from the Beneficial Senior Noteholders holding Senior Notes in accounts with them, each Nominee and DTC Participant (or the agent(s) designated by the relevant Nominee and DTC Participant) will be required to submit a duly signed and completed Omnibus Nominee and DTC Participant Form of Proxy to the Monitor for all Senior Note Claims with respect to which such Nominee and DTC Participant (or the agent(s) designated by the relevant Nominee and DTC Participant) received a duly signed and completed Voting Instruction Form from a Beneficial Senior Noteholder holding Senior Notes in an account held with such Nominee and DTC Participant Form.

Notwithstanding the fact that a Nominee and DTC Participant shall be the Person submitting the Omnibus Nominee and DTC Participant Form of Proxy to the Monitor, for the purposes of counting and tabulating the votes cast at the Creditors' Meeting, the voting instruction provided by a Beneficial Senior Noteholder to its Nominee and DTC Participant contained in its duly completed and signed Voting Instruction Form shall be deemed to constitute a separate vote per Beneficial Senior Noteholder per account in which the relevant block of Senior Notes are so held with such Nominee and DTC Participant.

Voting Instructions for Holders of Affected Syndicate Claims

Notwithstanding the fact that the Administrative Agent is the Person that has filed Proofs of Claim on behalf of the Holders of Affected Syndicate Claims under the Syndicate Agreement in accordance with the provisions of the Claims Procedure Order, each of the Holders of Affected Syndicate Claims shall be permitted to vote its respective Voting Claim under the Syndicate Agreement as described below and in accordance with the Creditors' Meeting Order.

The Administrative Agent will be responsible for providing the Monitor with a list, as of the Voting Record Date, of the Holders of Affected Syndicate Claims, as well as each such Holder's share of the aggregate Affected Syndicate Claims, and each such Holder's respective name, address and contact information. Such list will constitute the initial reference list of the Holders of Affected Syndicate Claims for distribution purposes under the Plan, subject to any transfer or assignment of an Affected Syndicate Claim made in accordance with the Creditors' Meeting Order and the Plan. Each Holder of an Affected Syndicate Claim will then receive by mail from the Monitor a package containing (i) the Notice to Creditors, (ii) this Circular, (iii) a Form of Proxy and related instructions attached thereto.

Holders of Affected Syndicate Claims may vote their Voting Claims as determined as of the Voting Record Date by attending the Creditors' Meeting in person or by proxy. Holders of Affected Syndicate Claims who wish to vote their Voting Claims by proxy must submit a duly signed and completed Form of Proxy and return it to the Monitor or the Chair, as indicated in such Form of Proxy and related instructions attached thereto. The instructions and procedures applicable to the submission of Forms of Proxy for use at the Creditors' Meeting are further summarized above under the heading "*Voting by Proxy*".

III. INFORMATION ABOUT QWI AND THE BUSINESS

A. ORGANIZATIONAL STRUCTURE AND CORPORATE INFORMATION

QWI was incorporated on February 23, 1989 pursuant to the *Canada Business Corporations Act*. QWI was formed to combine the assets constituting what was then the printing division of Quebecor Inc. QWI's principal office is located in the City of Montreal in the Province of Quebec, Canada at 999 de Maisonneuve Boulevard West, Suite 1100, Montreal, Quebec, Canada, H3A 3L4. QWI's telephone number at its head office is (514) 954-0101, and its fax number is (514) 954-9624. QWI's website is www.quebecorworld.com.

QWI's United States assets and operations are organized under QWI's principal United States Subsidiary, QWUSA. As the corporate parent of QWI's United States Subsidiaries, other than QPHC, QWUSA oversees QWI's cash management, operations, employee matters and other areas. In addition, QWUSA is a party to certain financing agreements.

QWI files annual, quarterly and current reports, proxy statements and other information with the CSA and the SEC, which provide additional information about QWI, its management, shareholders and operations, and the historical trading prices of its shares, which are not contained in this Circular. These reports, statements or other information can be read and copied at the SEC's Public Reference Room at Room 1580, 100 F Street, NE, Washington, D.C. 20549. QWI's SEC filings are also available to the public from commercial document retrieval services and on the website maintained by the SEC at www.sec.gov. QWI's CSA filings are available to the public from commercial document retrieval services and on the website maintained by the CSA at www.sedar.com. QWI's SEC and CSA filings can also be found on QWI's website at www.quebecorworld.com. Any such information is not considered to be part of, or incorporated by reference into, this Circular.

The Existing QWI Subordinate Voting Shares, the Existing Series 3 Preferred Shares and the Existing Series 5 Preferred Shares have been listed and posted for trading on the TSX up 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 Insolvency Proceedings. The Existing QWI Subordinate Voting Shares were also listed and traded on the NYSE up until January 23, 2008, when the NYSE suspended trading in the Existing QWI Subordinate Voting Shares upon the determination by NYSE that such shares were no longer eligible for continued listing and trading on such exchange. The Existing QWI Subordinate Voting Shares were removed from listing and registration on the NYSE at the opening of business on March 13, 2008. Pursuant to the QWI Reorganization, all of the existing share capital of QWI, which is comprised of the Existing QWI Subordinate Voting Shares, the Existing QWI Preferred Shares and the Existing QWI Multiple Voting Shares, will be changed into a new class of redeemable shares of the capital of QWI that will be automatically redeemed by QWI immediately following their issuance for a nominal cash payment. This will result in the effective cancellation of QWI's current share capital for virtually no consideration.

As discussed in more detail herein, on January 21, 2008, the Petitioners commenced a proceeding before the Court for a plan of reorganization and compromise under the CCAA. Each of the U.S. Debtors was joined in the CCAA Proceedings in order that each U.S. Debtor could obtain the protection of a stay under the CCAA as well as under the Bankruptcy Code. The Initial Order under the CCAA Proceedings was dated January 21, 2008 and took effect from immediately after midnight on January 20, 2008. The Court appointed Ernst & Young, Inc. to serve as Monitor for the CCAA Proceedings. On January 21, 2008, the U.S. Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the U.S. Court.

As part of the QWI Reorganization undertaken concurrently with the implementation of the Plan and effective upon the Implementation Date, QWI will change its name to a new name that is intended to be publicly announced by QWI before the Creditors' Meeting and in any event no later than the date of the Sanction Order. See Section V.B "Description of the Plan — Compromise and Reorganization".

B. OVERVIEW OF BUSINESS OPERATIONS

The Corporation is a leader in providing high-value, complete market solutions, including pre-print, print and post-print services to leading retailers, branded goods companies and catalogues as well as to leading publishers of magazines, books, directories and other printed media. The Corporation is also one of the few commercial printers able to serve customers on a regional, national and international basis. The Corporation is a leader in most of the services that it offers in its principal geographic markets. Its market-leading positions have been established through a combination of building long-term partnerships with the world's leading print media customers, investing in key strategic technologies and expanding operations through acquisitions.

The Corporation operates 87 printing and related facilities located in North America and Latin America. In the United States, the Corporation is the second largest commercial printer with 67 facilities in 26 states, and it is a leader in the printing of books, magazines, directories, retail inserts, catalogues and direct mail. The Corporation is the second largest commercial printer in Canada with 13 facilities in five provinces through which it offers a diversified mix of printed products and related value-added services to the Canadian and international markets. The Corporation is also the largest commercial printer in Latin America, with seven facilities operating in Argentina, Brazil, Chile, Colombia, Mexico and Peru. The Corporation operates both rotogravure and web offset presses in its various facilities, which provide its customers with long-run, short-run and multi versioning printing options as well as a variety of other value-added services, and which also enable the Corporation to print simultaneously for its customers in multiple facilities, thereby reducing cycle time and transportation costs.

The table below summarizes the locations of the Corporation's printing and related facilities:

LOCATION	# OF FACILITIES
UNITED STATES (Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Iowa, Kentucky, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Virginia and West Virginia)	67
CANADA (Alberta, British Columbia, Nova Scotia, Ontario and Quebec)	13
LATIN AMERICA (Argentina, Brazil, Chile, Colombia, Mexico and Peru)	7
TOTAL:	87

The primary print services offered by the Corporation in North America relate to the production of retail inserts, catalogues, Sunday magazines and direct mail, which are referred to as marketing solutions services, and to the production of books, magazines and directories, which are referred to as

publishing services. The Corporation also offers to its U.S. and Canadian clients various other print-related services, which are referred to as pre-media and logistics services. These services are described in more detail below.

The Corporation's customers include many of the largest publishers, retailers and catalogues in the geographic areas in which it operates. With respect to retail inserts, the Corporation's customers include Sears, JC Penney, Kohl's, Albertson's, Comp USA and Wal-Mart. The Corporation prints catalogues for customers such as Williams Sonoma, Bass Pro, Redcats and Victoria's Secret. The Corporation's book publishing customers include Reader's Digest Association, McGraw-Hill, Scholastic, Harlequin Enterprises, Thomas Nelson, Simon & Schuster and Imagitas, Inc. The Corporation prints magazines for publishers including Time, Hearst, Hachette, Source Interlink Media, Wenner Media, Meister Media Worldwide, Amos Publishing, Reader's Digest Association and Affinity Group Inc. The Corporation's directories customers include Dex Media, Yellow Book USA and Yellow Pages Group (Canada). The Corporation also offers a range of marketing solutions services and publishing services in Latin America to marketers, retailers and publishers in their respective geographical areas.

On June 26, 2008, the Corporation completed the sale of its European operations to Homborgh/De Pundert Group ("HHBV"), a Netherlands-based investment group (which has since become CirclePrinters Holding B.V.). At the time the Corporation sold its European operations, these operations consisted of 16 printing and related facilities employing approximately 3,500 people in Austria, Belgium, Finland, France, Spain and Sweden and producing magazines, catalogues, retail inserts, direct mail products, books and directories.

The Corporation's sales and marketing activities are highly integrated and are complemented by product-specific sales efforts. Sales representatives are located in facilities or in regional offices throughout North America and Latin America, generally close to their customers and prospects. Each sales representative has the ability to sell into any facility in the Corporation's network. This enables the customer to coordinate simultaneous printing throughout the Corporation's network through one sales representative. Some larger customers prefer to centralize the purchase of printing services and, in this regard, the Corporation's ability to provide broad geographical services is clearly an advantage over smaller regional competitors.

C. INDUSTRY OVERVIEW

Commercial printing is a highly fragmented, capital-intensive industry. The North American and Latin American printing industries are very competitive in most product categories and geographic regions. The Corporation believes that the ten largest competitors in the North American commercial printing market have less than 25% of the total share of each of their respective markets. In 2006, in the United States alone, there were approximately 30,700 commercial printers.

Commercial printers tend to compete within each product category based on price, quality, range of services offered, distribution capabilities, customer service, availability of printing time on appropriate equipment and state-of-the-art technology. Small competitors are generally limited to servicing customers for a specific product category within a regional market. Larger and more diversified commercial printers with greater geographic coverage, such as the Corporation, have the ability to serve national and international customers across multiple print service categories.

The Corporation believes that the trend towards consolidation will continue as larger commercial printers displace medium-size printers and regional competitors. Industry trends in Latin America, which are mirroring historical developments in North America, indicate that this market may also undergo

consolidation. The Corporation has historically been a participant in such consolidation, and expects to continue to seek value-enhancing acquisition or merger opportunities in the future.

In addition, technological changes continue to increase the accessibility and quality of electronic alternatives to traditional delivery of printed documents through the increased use of the Internet and the electronic distribution of media content, documents and data. While the acceleration of consumer acceptance of such electronic media will probably continue to increase, the Corporation believes that the value and role of printed media should continue to play a strong role in marketing, advertising and publishing because, in the Corporation's view, print media is an efficient and effective vehicle to market and advertise products. The Corporation believes that in a multichannel marketing strategy, print should continue to play a key and important role. The Corporation further believes that a significant percentage of the purchases over the Internet are based upon a buying decision that originated from a catalogue or retail insert, and that print plays a synergistic role with many of the new technologies.

D. INDUSTRY TRENDS AND OUTLOOK

Global economic conditions affect the Corporation's customers' businesses and the markets they serve. The current and ongoing credit crisis and global economic weakness has resulted in constrained advertising spending and, in certain cases, customer financial difficulties in the Corporation's North American segment. This has put significant downward pressure on volumes and, to a lesser degree, on price, across nearly all of North America's printing and related services, particularly in the fourth quarter of 2008 and early 2009.

During 2008 and continuing in 2009, the Corporation undertook various initiatives to adapt its cost structure to the rapidly changing economic environment including:

- Divesting its non-strategic operations in Europe, which allowed the Corporation to remain focused on its core business in the Americas and reduced the operational risks associated with the uncertainty of the long-term profitability of its European operations.
- Implementing significant profit improvement initiatives to align its costs with assumed future volume decreases. In June 2008, the Corporation integrated and rationalized the number of business divisions in the U.S. from six to three, which allows the Corporation to better serve existing and new customers by having more streamlined and customer driven operations. The Corporation also closed three of its facilities in 2008 and reduced corporate and plant staff levels by more than 10%.
- Freezing salaries of all non-unionized North American employees effective January 1, 2009 and effective February 1, 2009, suspended employer's contributions for non-unionized U.S. employees to the 401(k) plans and reduced senior management salaries by 5%.
- Implementing, effective April 2009, a significant cost reduction plan. This new plan includes a 10% wage reduction for all non-union salaried and hourly employees (including sales commissions), a reduction of employees' paid vacation entitlement by one week and changes to the Corporation's severance and overtime policies. In connection with the implementation of this cost savings plan, the Corporation intends to seek similar concessions from its union employees.

The current North American recession is expected to continue to put downward pressure on volumes and prices as retailers and publishers further adjust their budgets for printing services. Competition in the industry remains intense as the industry is still in the process of consolidating and is still suffering from overcapacity. Under these conditions the Corporation is focusing on improving its product and segment mix, adding customer value through initiatives such as its new integrated multi-channel solutions and improving productivity through continuous improvement projects and technology. The Corporation is also aggressively aligning its cost structure to mitigate the impact of the economic downturn.

Latin America has not been, nor is it expected to be, as affected by the global economic difficulties as North America. With planned investments in new capacity, this segment's revenues are forecast to increase in line with expected growth from an existing customer base.

E. DESCRIPTION OF BUSINESS SEGMENTS AND PRINT SERVICES

The Corporation operates in the commercial print media segment of the printing industry and its business segments are located in two main geographical regions: North America and Latin America. In North America, the Corporation's print and print-related services are offered by four business groups: the U.S. based Marketing Solutions Group; Publishing Services Group; Pre-Media and Logistics Group; and the Canada Group.

The Corporation's Latin American business group offers the same broad range of print services as its North American counterparts, other than direct mail products.

Overview

On June 16, 2008, the Corporation merged its U.S. Retail Insert, Catalogue, Sunday Magazine and Direct Mail divisions into a new integrated Marketing Solutions Group to better serve the marketing and advertising needs of its customers in multiple markets including retail, direct marketing, Sunday magazine, agency and financial services. The U.S. Marketing Solutions Group produces direct mail products, retail inserts, catalogues and Sunday Magazines in a coast-to-coast integrated network of more than 20 facilities in the United States. This operating and sales structure has allowed the Corporation to improve its operational efficiency and enhance its integrated product offering to all its customers.

On June 17, 2008, the Corporation integrated its U.S. Magazine, Book and Directory Divisions into the Publishing Services Group and merged its U.S. Pre-Media and Logistics divisions into a single operating structure. The new Publishing Services Group has streamlined its operations and improved services to better serve existing and new publishing customers.

The Corporation expects that the enhanced U.S. operating structure comprising the three divisions — Marketing Solutions Group, Publishing Services Group and Pre-Media and Logistics Group — will result in greater synergies, shared resources and faster decision-making with a focus on delivering complete value-added solutions to two principal customer bases, multi-channel marketers and publishers.

Marketing Solutions Services

Through its U.S. Marketing Solutions Group, the Corporation offers and provides print services related to retail inserts, catalogues, Sunday magazines and direct mail.

Retail Inserts

Major retail insert customers include some of the largest retailers, such as CVS (Consumer Value Stores), JC Penney, Kohl's, Sears, Wal-Mart and Walgreens. The Corporation believes that it is the leading retail insert printer in North America, where its unique coast-to-coast rotogravure and web offset network provides retailers with a dual-process option for long-run and multi-versioned advertising campaigns.

Catalogues

The Corporation is one of the largest printers of catalogues in the U.S. The Corporation's catalogue customer base includes Williams-Sonoma, Oriental Trading Company, Victoria's Secret, Cabela's, Bass Pro, Redcats and many others. The Corporation offers special catalogue services, such as list services, to help customers compile effective lists for distribution, co-mailing, co-stitching and selective-binding capacity, as well as providing ink jet addressing and messaging to personalize messages for each recipient. These and other value-added services allow the Corporation's customers to vary catalogue content to meet their customers' demographic and purchase patterns. The Corporation's geographic reach also allows the Corporation to offer its customers one-stop shopping for all of their catalogue needs.

Sunday Magazines

The Corporation believes that it is the U.S. industry leader in the production of the major weekend newspaper magazines, *Parade* and *USA Weekend*, as well as locally edited and distributed titles. These are four-color magazines inserted in major market weekend newspapers.

Direct Mail

The Corporation is a U.S. leader in direct mail production. Two of the Corporation's facilities, located in Atlanta, GA and Effingham, IL, are direct mail mega-facilities that provide complete direct mail production services from the data programming stages through to bulk mailing. The Corporation can produce everything from traditional direct mail packages to complex personalized in-line finished packages. Approximately 90% of the manufacturing (except for conventional envelopes) is done in-house thereby streamlining the production process and reducing cycle time and transportation costs. The Corporation's sophisticated inkjet imaging technology allows the Corporation to apply variable messages in up to sixteen different locations on a single printed piece and in virtually any font or color with resolutions of up to 240 dpi.

Furthermore, the Corporation has the capability to combine and coordinate all the pieces of multi-component marketing materials in virtually one pass through the press. By combining these features with its highly complex in-line imaging capability, the Corporation can provide clients with more targeted and personalized marketing vehicles.

Publishing Services

The Corporation's U.S. Publishing Services Group integrates its book, magazine and directory print services.

Books

The Corporation is an industry leader in U.S. book manufacturing. The Corporation prints books for many of the world's leading publishers, including McGraw-Hill, Scholastic, Harlequin Enterprises, Simon & Schuster, Thomas Nelson, Time-Warner, Reader's Digest Association, Imagitas and Pearson Education. The Corporation is an industry leader in the application of new technologies for book

production, including electronic pre-media, information networking and digital printing. The Corporation serves more than 750 book publishing customers internationally.

In keeping with its full-service approach, the Corporation also provides on-demand digital printing services for small quantities of books, brochures, technical documents and similar products to be produced quickly and at a relatively low cost.

Magazines

The Corporation is one of the leading printers of consumer magazines in the United States. The Corporation prints more than 1,000 magazine titles, including industry leading titles such as *Elle* for Hachette-Fillipachi Magazines US, *Cosmopolitan* and *Good housekeeping* for Hearst Corp., *Maxim* for Alpha Media Publishing, *Forbes* for Forbes Inc., *ESPN The Magazine* for Walt Disney Corp., *In Touch Weekly* for Bauer Publishing USA, *Family Handyman* and *Weekly Reader* for Reader's Digest Association and *Rolling Stone*, *US Weekly* and *Men's Journal* for Wenner Media. The Corporation operates an international print platform with operations in the United States, Canada and Latin America. As an industry leader in the printing of weekly magazines, the Corporation produces more than 15 magazine titles for Time, Inc., including *Time*, *Sports Illustrated*, *People*, *Entertainment Weekly*, *Time For Kids*. The Corporation also produces magazine titles such as *Fortune*, *Money*, *Southern Living*, *Cooking Light*, *Coastal Living*, *Southern Accents* and *People en Español*.

Directories

The Corporation is the second largest printer of directories in the United States and Latin America. The Corporation prints directories for some of the largest directory publishers in the world, including Dex Media, Yellow Book USA, RH Donnelley, Windstream and Frontier in the United States, and the Yellow Pages Group in Canada.

Pre-Media and Logistics Services

The Corporation has invested in pre-media and post-press technology to enhance its ability to service this market by providing publishers with before and after print services.

Pre-Media Services

The Corporation is a leader in the transition from conventional pre-press to an all-digital workflow, providing a complete spectrum of film and digital preparation services, from traditional creative services and color separation to state-of-the-art, all-digital pre-media, as well as digital photography and digital archiving. Such pre-media services include the color electronic pre-media system, which takes art work from concept to final product, and desktop publishing, giving the customer greater control over the finished product. These pre-media services are especially helpful to smaller customers, who may not have the capital to employ such equipment or who may have to rely on third-party vendors, which may result in coordination and delay problems. The Corporation's specialized digital and pre-media facilities, which are strategically located close to and, in certain cases, onsite at, customers' facilities, provide its customers high-quality, 24-hour preparatory services linked directly to its various printing facilities. In addition, its computer systems enable the Corporation to electronically exchange both images and textual material directly between its facilities and its customers' business locations. The Corporation's pre-media services bring together the full range of digital technologies and pre-media assets within its corporate group that allows the Corporation to focus on providing a more comprehensive range of solutions to its customer base.

Logistics Services

Other value-added services provided by the Corporation, including mail list, shipping and distribution expertise, ink-jet personalizing, customer-targeted binding and creative services, are increasingly demanded by the Corporation's customers. The Corporation's co-mailing and other logistics services help publishers reduce costs and improve distribution.

Quebecor World Logistics provides logistics and mail list services for both Quebecor World and third-party customers, managing distribution and mailing services for catalogues, direct mail, magazine (subscriber copies and newsstand), newspaper inserts, books and bulk printed products. Quebecor World Logistics uses scale to consolidate volume and a comprehensive menu of electronic tracking options to efficiently plan all deliveries. Quebecor World Logistics provides customized, flexible mailing strategies based on customers' specific in-home delivery requirements.

Canada Group

The Corporation is one of the leading commercial printers in Canada. It offers publishers and retailers a coast-to-coast manufacturing platform of 13 facilities so customers are able to print closer to the end user, reducing distribution costs and cycle times. The Corporation is the leader in Canada in the production of retail inserts and directories and one of the leaders in the production of magazines, catalogues, books and direct mail products. Customers include many of Canada's leading publishers and retailers, including Canadian Tire, Sears, Rona, Canada Wide, Jean Coutu, Dell Canada, Best Buy, Staples and Home Depot.

Latin America

The Corporation is the leading commercial printer in Latin America with seven facilities in Argentina, Brazil, Chile, Colombia, Mexico and Peru. It produces magazines, catalogues, retail inserts, books and directories for leading local, regional and international publishers and retailers. The Corporation provides a digitally linked network of facilities. The Corporation's Latin American platform serves as a competitive alternative source to Asia in the printing of books for shipment to North America. It is also well positioned to service North American book publishers in the printing of books for which time-to-market is not as significant a factor.

F. EMPLOYEES

As of March 31, 2009, the Corporation employed approximately 16,400 people in North America, of which approximately 5,500, or approximately 33%, are unionized. The Corporation had 30 collective bargaining agreements in North America as of March 31, 2009. Furthermore, seven collective bargaining agreements are currently in negotiations, one of which expired in 2006, two of which expired in 2007 and four of which expired in 2008. In addition, five collective bargaining agreements will expire later in 2009. As of March 31, 2009, of the Corporation's 80 plants and related facilities, 22 had union representation.

As at December 31, 2008, the Corporation employed approximately 2,400 people in Latin America, the majority of whom are either subject to labour agreements that apply industry-wide or to a collective bargaining agreement.

G. PROPERTIES AND EQUIPMENT

Facilities

The Corporation owns or leases 67 facilities in the United States, 13 facilities in Canada and seven facilities in Latin America. Many of these facilities have multiple buildings and warehouses. The Corporation's facilities occupy approximately 15.0 million square feet of premises in the United States, approximately 2.0 million square feet in Canada and approximately 1.3 million square feet in Latin America.

Equipment

Description of Manufacturing Processes and Equipment

The Corporation uses principally two types of printing processes, rotogravure and offset, which are the most commonly used commercial printing processes. Both processes have undergone substantial technological advances over the past decade, resulting in significant improvements in both speed and print quality.

Rotogravure

The rotogravure process uses a copper-coated printing cylinder that is mechanically engraved using high-precision, computer-controlled and diamond-cutting heads. Although the engraving of the printing cylinder is relatively expensive, the printing cylinder itself is extremely durable and cost-effective per long run. The rotogravure process has an excellent reputation for the quality of its four-color reproductions on various grades of paper and the very high speed at which it is capable of running. Rotogravure also provides the advantage of offering multiple cut-off sizes which can be tailored to minimize paper waste. With 60 rotogravure presses, the Corporation is one of the largest printers using the rotogravure process.

The rotogravure process is well suited to long-run printing of retail inserts and circulars, weekend newspaper magazines and other high-circulation magazines and catalogues. The Corporation believes that its coast-to-coast network of rotogravure facilities in North America offers both the capacity and broad geographic presence required by large retailers and publishers. The Corporation's advanced ability in rotogravure digital pre-media also ensures more efficient and accurate production of the same insert simultaneously in multiple locations, thereby offering the customer the efficiency and cost savings of manufacturing and distribution closer to its end-use markets in reduced time frames.

Offset

In the offset process, ink is transferred from rollers to a metal plate and then to a rubber blanket, which in turn transfers the image to the web (paper). There are several types of offset printing processes: sheetfed and web; and heatset and coldset. Sheetfed presses print on sheets of paper, whereas web presses print on rolls of paper. Short-run printing is generally best served by sheetfed offset, whereas web offset is generally the best process for longer runs.

Heatset web offset involves a press which uses an oven to instantly set or dry the oil-based inks. This permits high speed and better quality and is best suited for printing on glossier papers (coated paper). Heatset web offset is used to print retail inserts, magazines, catalogues and books. The Corporation operates 270 heatset web offset presses.

Coldset web offset involves a press that does not use an oven to dry the ink, instead using oil-based inks that are absorbed into the paper and dried by oxidation. Coldset web offset is used mainly to

print newspapers, books, directories and some retail inserts. The Corporation operates 37 coldset web offset presses.

The Corporation also operates 62 sheetfed offset presses, which print books, promotional material, covers and direct-mail products.

Technology

The Corporation cooperates with large suppliers in the area of research and development of new printing technologies, materials and processes. The Corporation's capital-improvement programs include adding, replacing and upgrading existing equipment.

In the past several years, the Corporation has invested in faster, more efficient and higher quality presses. In July 2004, the Corporation announced, as part of its retooling program, its intention to purchase latest generation web offset presses targeted for the magazine, catalogue retail and book platforms of its U.S. operations. This allowed the Corporation to further improve efficiency and meet the needs of both publishers and retailers. Since July 2004, the Corporation has installed 20 new presses, due mainly to its retooling program.

As part of its restructuring process, the Corporation may re-allocate, re-purpose, move and de-commission a certain number of its presses with a view to maximizing the efficient use of its equipment and technology.

Pre-media has continued to adapt to ever changing technology advancements and embrace web-enabled digital workflows as part of the Corporation's offerings to customers. The latest hardware and software solutions help drive the services upstream in the creative process and downstream to print and web media options. The Corporation has deployed content management systems and services to bridge the information to multiple media channels. The Corporation has been an industry leader in bringing new on-line imaging services in conjunction with traditional pre-media services and color management, which streamline the production of pages for print. The Corporation has pioneered the digital engraving process for gravure and early adoption to computer-to-plate process for offset printing to optimize the color quality and consistency on its presses. Migration to a complete PDF workflow simplifies and standardizes the process. The Corporation also believes that it has established one of the industry's most efficient virtual private data communications network (VPN), capable of transmitting customer files from its pre-media centers to multiple print facility locations. Virtual Soft Proofing™ technology has allowed viewing of images and pages across the Internet that will ultimately improve schedules and enable last-minute changes.

The Corporation has also upgraded its U.S. rotogravure network with a view to improving efficiency and service to its magazine, catalogue, retail insert and weekend newspaper magazine customers. The Corporation was one of the first commercial printers in North America to install short cut-off tabloid offset presses. These presses print more pages at faster speeds and use less paper than conventional tabloid presses. The Corporation has also invested in new and emerging digital and web-based technologies to improve services, reduce costs and expand its range of products.

The Corporation operates a North American-wide telecommunications network, which enhances its ability to move digital files between its facilities and customers quickly, share work among facilities, and expand distribution and printing operations.

H. PURCHASING AND RAW MATERIALS

The principal raw materials used in the Corporation's products are paper and ink. In 2008, the Corporation spent approximately U.S.\$1.4 billion on raw materials (excluding materials with respect to its European operations that were disposed of in June 2008). The Corporation exercises its purchasing power to obtain pricing, terms, quality, quality control and service in line with its status as one of the largest industry customers.

For most of its purchases, the Corporation negotiates with a limited number of suppliers to maximize its purchasing power, but the Corporation does not rely on any single supplier. Purchasing activity at both the local plant and corporate level is coordinated in order to increase and benefit from economies of scale. Inventory control operations are also integrated into the Corporation's purchasing functions, which has resulted in improvements in inventory turnover. Inventories are also managed and tracked on a regional basis, increasing the utilization of existing inventories.

The Corporation takes pride in offering world-wide procurement services to its customers. The Corporation believes that its global procurement practices provide the Corporation with a competitive advantage, which allows the Corporation to reduce administrative costs, standardize procurement and provide customers with assured supply at attractive prices.

I. FINANCIAL STATEMENTS AND RECENT FINANCIAL RESULTS

The Corporation has prepared financial projections for fiscal years 2009 through 2012, as set forth in Exhibit F attached to this Circular. The Projections show that QWI should have sufficient cash flow to pay and service its debt obligations and to fund its operations. As noted in the Projections, however, QWI cautions that no representations can be made as to the accuracy of the Projections or as to QWI's ability to achieve the projected results. Many of the assumptions upon which the Projections are based are subject to uncertainties outside the control of QWI. Some assumptions inevitably will not materialize, and events and circumstances occurring after the date on which the Projections were prepared may be different from those assumed or may be unanticipated, and may adversely affect QWI's financial results. Therefore, the actual results may vary from the projected results and the variations may be material and adverse. See Section VI "*Risk Factors*" for a discussion of certain risk factors that may affect financial feasibility of the Plan.

THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, THE PRACTICES RECOGNIZED TO BE IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE UNITED STATES NOR WERE THEY PREPARED IN ACCORDANCE WITH CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, THE FINANCIAL ACCOUNTING STANDARDS BOARD OR THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION REGARDING PROJECTIONS. FURTHERMORE, THE PROJECTIONS HAVE NOT BEEN AUDITED OR REVIEWED BY QWI'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM. ALTHOUGH PRESENTED WITH NUMERICAL SPECIFICITY, THE PROJECTIONS ARE BASED UPON A VARIETY OF ASSUMPTIONS, SOME OR ALL OF WHICH IN THE PAST HAVE NOT BEEN ACHIEVED AND WHICH MAY NOT BE REALIZED IN THE FUTURE, AND ARE SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE CONTROL OF QWI. CONSEQUENTLY, THE PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY THE U.S. DEBTORS, QWI OR ANY OTHER

PERSON, THAT THE PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE PRESENTED IN THE PROJECTIONS.

J. ENVIRONMENTAL REGULATIONS

The Corporation is subject to various laws, regulations, permit requirements, contractual obligations, and government policies relating to the protection of the environment, including, among other things, requirements relating to (a) the generation, storage, transportation, and disposal of solid waste, (b) to releases of various substances into the environment, including air emissions and wastewater discharges.

The Corporation is also subject to various laws and regulations that allow regulatory authorities to compel (or seek reimbursement for) the cleanup of environmental contamination at its own sites and at off-site facilities where waste is or has been disposed of. With respect to off-site facilities in the United States as to which one or more U.S. Debtors might otherwise have cleanup liabilities, it is the position of U.S. Debtors that those liabilities give rise to claims that must be addressed in the Chapter 11 Cases and that will be discharged upon Court sanction of the Plan. The Corporation has established a provision for expenses associated with environmental remediation obligations, as well as other environmental matters, when such amounts can be reasonably estimated. The amount of the provision is adjusted as new information is known. Such provision is believed to be adequate to cover the potential costs associated with the remediation of environmental contamination found on-site and off-site as well as other environmental matters.

The Corporation expects to incur ongoing capital and operating costs to maintain compliance with existing and future applicable environmental laws and requirements, as well as to address equipment and process upgrades over the next few years as part of an overall environmental compliance plan. For example, the Corporation has been engaged in discussions with the United States Environmental Protection Agency concerning compliance with the Stratospheric Ozone Protection Provisions of the federal Clean Air Act, which regulate the use of chlorofluorocarbons (CFCs) that are used as refrigerants at many of the Corporation's facilities. Those discussions could lead to an agreement that would result in increased capital and costs. However, the Corporation does not anticipate that maintaining compliance with these or other existing environmental requirements will have a material adverse effect upon its competitive or consolidated financial position

K. DIRECTORS AND SENIOR MANAGEMENT OF QWI

Directors of QWI

The following individuals are, as at May ●, 2009, the directors of QWI:

- **Douglas G. Bassett, O.C., O., Ont.** Mr. Bassett has served as Chairman and President of Windward Investments (a private investment company) since 2000. Previously, he was Vice-Chairman of CTV Inc. from 1998 to 2000, and President and CEO of Baton Broadcasting Inc from 1990 until 1996. The University of New Brunswick awarded Mr. Bassett an honorary degree of Doctor of Laws, *honoris causa* in 1988. Mr. Bassett has been a director of QWI since 2007.
- **André Caillé.** Mr. Caillé previously served as the President and Chief Executive Officer of Hydro-Québec from 1996 until April 2005. He was then appointed Chairman of the Board of Hydro-Québec and served in that capacity until September 14, 2005. Mr. Caillé also served as President and Chief Executive Officer of Gaz Métropolitain from 1987 until 1996. Mr. Caillé also served as Chairman of the World Energy Council from September 2004 to November 2007 and as a director

of National Bank of Canada since November 2005. Mr. Caillé was elected as a director of Junex Inc., a junior oil and gas exploration company, in June 2008. Mr. Caillé has been a director of QWI since December 2005.

- **Michèle Desjardins.** Ms. Desjardins has served as President of Koby Consulting Inc. (a management consultant firm) since January 1998. She has also been an associate of Lansberg Gersick & Associates LLC since January 1998 and of the Niagara Institute since July 1999. Previously she was Executive Director of the Institute for Family Entreprises from July 1994 to December 1997, assistant to the President Executive Counsel of the *Commission des valeurs mobilières du Québec* from December 1992 to July 1994, and Director at PricewaterhouseCoopers from July 1991 to November 1992. Ms. Desjardins received a Bachelor's of Applied Sciences degree in Forest Engineering (1981) and a Master's in Business Administration (M.B.A.) degree (1988) from Université Laval. She is a Chartered Administrator, Certified Management Consultant (C.M.C.). Ms. Desjardins has been a director of QWI since 2007.
- **Jacques Mallette.** Mr. Mallette has served as QWI's President and Chief Executive Officer since December 18, 2007. From October 2005 to December 2007, he served as QWI's Executive Vice President and Chief Financial Officer. Mr. Mallette also served as Executive Vice President and Chief Financial Officer of Quebecor Inc., from 2003 until December 2007. He was Executive Vice President of Sun Media Corporation from 2003 until October 18, 2005, where he was also the Chief Financial Officer from 2003 until January 2005. He was also the Executive Vice President and Chief Financial Officer of Quebecor Media Inc. from 2003 until September 30, 2005. Mr. Mallette was a director and Executive Vice President of Le Groupe Videotron Ltd. from April 2003 until October 18, 2005, where he also served as Chief Financial Officer from April 2003 until January 2005. Prior to joining the Quebecor group of companies, Mr. Mallette was President and Chief Executive Officer of Cascades Boxboard Group Inc., where he started as Vice President and Chief Financial Officer in 1994. Mr. Mallette has been a member of the Canadian Institute of Chartered Accountants since 1982. Mr. Mallette has been a director of QWI since February 21, 2008.
- **The Right Honourable Brian Mulroney.** Mr. Mulroney has been a Senior Partner of Ogilvy Renault LLP since July 1993. Mr. Mulroney was the Prime Minister of Canada from 1984 to 1993. He holds a Bachelor's degree from St. Francis Xavier University and a Bachelor's of Law degree from Université Laval. Mr. Mulroney has been a member of the *Barreau du Québec* since 1965. Mr. Mulroney has been a director of QWI since 1997 and has acted as the Chairman of the Board since 2002.
- **Alain Rhéaume.** Mr. Rhéaume is the founder and managing partner of Trio Capital. He was Executive Vice President and President of Fido at Rogers Wireless Inc., from November 2004 until June 2005. He was President and Chief Operating Officer of Microcell Solutions Inc. from May 2003 until November 2004 and President and Chief Executive Officer of Microcell PCS from February 2001 until April 2003. He has been a director of QWI since 1997. Mr. Rhéaume has served as lead director of QWI since February 2006.

As part of the implementation of the Plan, a new Board will be constituted. Except for those directors who will remain on the Board, if any, the members of the new Board will be appointed effective as of the Implementation Date (see Section V.B "*The Plan — Description of the Plan — Corporate Governance*"). The directors of QWI will hold office until the first annual meeting of shareholders of QWI following the Implementation Date or until their successors are duly appointed or elected. It is

expected that the number and identity of the individuals who will be appointed to the Board will be announced by way of press release prior to the Creditors' Meeting.

Executive Officers of QWI

The following individuals are, as at May ●, 2009, the executive officers of QWI:

Name	Position with QWI
Jacques Mallette	Director, President and Chief Executive Officer
Jeremy Roberts	Chief Financial Officer
Régis Réhel	President, Quebecor World Canada
Guy Trahan	President, Latin America
David Blair	Senior Vice President, Operations, Technology and Continuous Improvement
Michèle Bolduc	Senior Vice President, Legal Affairs and General Counsel
Sylvain Levert	Senior Vice President, Corporate Services
Ben Schwartz	Senior Vice President, Human Resources
Mario D'Arienzo	Vice President, Real Estate
Diane Dubé	Vice President, Corporate Controller
Jo-Ann Longworth	Chief Accounting Officer
Roland Ribotti	Vice President, Corporate Finance and Treasurer
Tony Ross	Vice President, Communications
Marie-Élizabeth Chlumecky	Corporate Secretary
Lucie Desjardins	Assistant Corporate Secretary

L. DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with the various securities commissions or similar securities regulatory authorities in each of the provinces of Canada, are specifically incorporated by reference into and form an integral part of this Circular:

- (a) the Annual Information Form of the Corporation dated March 27, 2009, filed under cover of Form 20-F for the year ended December 31, 2008;
- (b) the audited consolidated financial statements of the Corporation, including the notes thereto, for the year ended December 31, 2008, together with the auditors' report thereon and management's discussion and analysis relating thereto, as filed on March 27, 2009.

Any documents of the type referred to in the preceding paragraph and any unaudited interim financial statements or material change reports (excluding confidential material change reports) filed by QWI with a securities commission or any similar securities regulatory authority in Canada after the date of this Circular shall be deemed to be incorporated by reference into this Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Circular to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular. In addition, any similar documents furnished by QWI to the SEC in its periodic reports on Form 6-K or filed by QWI with the SEC in its annual report and any other documents filed with or furnished to the SEC pursuant to Section 13(a), 13(c) or 15(d) of the Exchange Act in each case after the date of this Circular, shall be deemed to be incorporated by reference into this Circular if and to the extent expressly provided in such reports. Those materials are available to the public on the SEC's website at www.sec.gov.

IV. CAPITALIZATION

A. SHARE CAPITAL OF QWI

QWI is a public company whose authorized share capital consists of Existing QWI Subordinate Voting Shares, Existing QWI Multiple Voting Shares and Existing QWI Preferred Shares. The Existing QWI Subordinate Voting Shares, the Existing Series 3 Preferred Shares and the Existing Series 5 Preferred Shares traded on the TSX until April 17, 2009, when they were suspended from trading until further notice. This suspension is to remain in place for the duration of the Insolvency Proceedings.

<u>Designation of Class or Series of Shares</u>	<u>Shares Outstanding as of March 31, 2009</u>
Existing QWI Subordinate Voting Shares	158,178,000
Existing QWI Multiple Voting Shares	46,987,000
Series 2 Cumulative Redeemable First Preferred Shares	None
Existing Series 3 Preferred Shares	12,000,000
Series 4 Cumulative Redeemable First Preferred Shares	None
Existing Series 5 Preferred Shares	1,440,000

Pursuant to the QWI Reorganization, all of the existing share capital of QWI, which is comprised of the Existing QWI Subordinate Voting Shares, the Existing QWI Preferred Shares and the Existing QWI Multiple Voting Shares, will be changed into a new class of redeemable shares of the capital of QWI that will be automatically redeemed by QWI immediately following their issuance for a nominal cash payment. This will result in the effective cancellation of QWI's current share capital for virtually no consideration. See Section V.B "*The Plan — Description of the Plan — Reorganization*".

Existing QWI Subordinate Voting Shares

The Existing QWI Subordinate Voting Shares carry one (1) vote per share. In the aggregate, the voting rights associated with the Existing QWI Subordinate Voting Shares represented, as at March 31, 2009, 25.19% of the voting rights attached to all of its issued and outstanding voting securities.

Existing QWI Multiple Voting Shares

The Existing QWI Multiple Voting Shares carry ten (10) votes per share. They are convertible at any time into Existing QWI Subordinate Voting Shares on a one-for-one basis. They have never been publicly traded.

Existing QWI Preferred Shares

The Existing QWI Preferred Shares are generally non-voting and they participate in priority to the Existing QWI Subordinate Voting Shares and Existing QWI Multiple Voting Shares in the event of

liquidation, dissolution, winding-up or other distribution of the Corporation's assets. Each series of Existing QWI Preferred Share ranks *pari passu* with every other series of Existing QWI Preferred Shares.

In 2008, 5,303,572 of QWI's issued and outstanding Existing Series 5 Preferred Shares were converted into 69,057,316 Existing QWI Subordinate Voting Shares in accordance with the rights, privileges, restrictions and conditions attaching to the Existing Series 5 Preferred Shares.

Effective March 2, 2009, 256,364 of QWI's issued and outstanding Existing Series 5 Preferred Shares were converted into 3,536,220 Existing QWI Subordinate Voting Shares in accordance with the rights, privileges, restrictions and conditions attaching to the Existing Series 5 Preferred Shares.

On March 30, 2009, QWI announced that it had received, on or prior to March 27, 2009, notices in respect of 340,000 of its issued and outstanding Existing Series 5 Preferred Shares requesting conversion into the Existing QWI Subordinate Voting Shares. Such Existing Series 5 Preferred Shares are expected to be converted into a number of Existing QWI Subordinate Voting Shares on June 1, 2009 based on the applicable conversion ratio. Unlike previous quarterly conversions of Existing Series 5 Preferred Shares into Existing QWI Subordinate Voting Shares, the Existing QWI Subordinate Voting Shares issuable upon conversion of the 340,200 Existing Series 5 Preferred Shares will not be listed on TSX in light of the trading suspension on all of QWI's securities listed on TSX that has been in effect since after the close of markets on April 17, 2009.

Suspension of Dividends

On November 7, 2006, concurrently with the release of its results for the third quarter of 2006, QWI announced that its Board had suspended the payment of dividends on its Existing QWI Subordinate Voting Shares and Existing QWI Multiple Voting Shares.

On November 26, 2007, the Board also suspended dividend payments on its Existing Series 3 Preferred Shares and Existing Series 5 Preferred Shares. As of February 28, 2009, an aggregate of Cdn\$27,727,000 in accrued dividends was unpaid on Existing Series 3 Preferred Shares and an aggregate of Cdn\$4,389,000 in accrued dividends was unpaid on Existing Series 5 Preferred Shares.

B. DEBT

The principal debt obligations of the Corporation outstanding as of the Determination Date can be described as follows.

Syndicate Agreement

QWI and QWUSA are borrowers under an amended and restated credit agreement dated as of December 15, 2005, with QPHC, as guarantor, Royal Bank of Canada, as lender and administrative agent, and the other lenders and agents parties thereto. This agreement provided for revolving credit facilities in the aggregate amount of up to \$750 million, which were used for general corporate purposes including, without limitation, then ongoing working capital and operations requirements, commercial paper back-up and, subject to the terms and conditions of the credit agreement, for providing funding for acquisitions, investments and capital expenditures.

The Syndicate Agreement is guaranteed pursuant to a guaranty entered into by QPHC in connection with the First Amending Agreement to Credit Agreement dated as of August 12, 1999 and guaranteed and secured by the following assets (collectively, the "**Bank Security**"), which was granted on October 26, 2007 in connection with the terms and conditions of the Fourth Amendment to the

Syndicate Agreement, dated as of September 28, 2007 (the “**Fourth Amendment**”): (i) guaranties from certain of the U.S. Debtors other than QWCC and Quebecor World Capital II LLC; (ii) a pledge of the shares of QW Memphis by QWUSA, the Webb Company and Quebecor World Memphis LLC; (iii) a pledge of the shares of QWUSA by QPHC; (iv) a security interest in all personal and real property of QW Memphis, excluding accounts receivable subject to the North American receivables sale program and certain real estate located in Covington, Tennessee; and (v) a security interest in all inventory of QWI located in Canada. In connection with the Fourth Amendment, various financings were permitted, including approximately \$400 million of financing made available to the borrowers to repurchase certain private notes in order to avoid breaching certain financial covenants. As described below, similar guaranties and security interests were granted to Société Générale (Canada) on a *pari passu* basis in accordance with the Equipment Financing Agreement described below. The aggregate amount of debt secured by liens or security interests under both the Syndicate Agreement and the Equipment Financing Agreement is \$170 million (plus certain expenses), which was the maximum amount permitted under the indentures governing the Senior Notes at that time. As of January 11, 2008, the aggregate principal amount of indebtedness outstanding under the Syndicate Agreement was approximately \$735 million, of which approximately \$135.6 million is secured.

The Creditors’ Committee has filed in the United States the Syndicate/Soc. Gen. Adversary Proceeding in respect of the Bank Security provided under the Fourth Amendment, as discussed in Section V.A “*The Plan — Background to the Plan — Significant Events During the CCAA Proceedings*” below. As provided under the Plan and as part of the settlements embodied in both the Plan and the U.S. Plan, particularly the Syndicate Compromise, such action will be dismissed with prejudice on the Implementation Date.

Equipment Financing Agreement

The Equipment Financing Agreement is set forth in a credit agreement dated as of January 13, 2006 (as amended) among QWI, as borrower, QWUSA, as guarantor, and Société Générale (Canada), as lender, and provides for an equipment financing credit facility in the aggregate amount of the Canadian dollar equivalent of €136,165,415 expiring on July 1, 2015.¹ The Equipment Financing Agreement is guaranteed and secured on a *pari passu* basis by the Bank Security.

As noted above, the aggregate amount of debt secured by liens or security interests under both the Syndicate Agreement and the Equipment Financing Agreement was \$170 million (plus certain expenses), which is the maximum amount permitted under the documents governing the Senior Notes. As of January 11, 2008, the aggregate principal amount outstanding under the Equipment Financing Agreement was approximately \$155 million, of which approximately \$34.4 million is secured.

The Creditors’ Committee has filed in the United States the Syndicate/Soc. Gen. Adversary Proceeding in respect of the issuance of the guarantees and security interests for the Equipment Financing Agreement, as discussed in Section V.A “*The Plan — Background to the Plan — Significant Events During the CCAA Proceedings*” below. Neither the Plan nor the U.S. Plan, as currently contemplated, provides for the dismissal of this action.

Senior Notes

QWI and certain of the U.S. Debtors are obligors under the following series of Senior Notes:

¹ As of ●, 2009, this is equivalent to approximately Cdn\$[202,571,926].

- the 4.875% Notes due 2008;
- the 6.125% Notes due 2013;
- the 9.75% Notes due 2015;
- the 8.75% Notes due 2016; and
- the 6.50% Notes due 2027.

All of the Senior Notes are unsecured and contain customary restrictive covenants and events of default.

As noted above, the terms and conditions of the Senior Notes limited the aggregate principal amount of secured indebtedness that may be secured by liens or security interests under both the Syndicate Agreement and the Equipment Financing Agreement to approximately \$170 million (plus certain expenses) but did not prevent the granting of such liens and security interests.

Accounts Receivable Facility

Pursuant to a certain Receivables Purchase Agreement, dated as of September 24, 1999 (as amended, the “**U.S. Receivables Purchase Agreement**”), QWI and certain of the U.S. Debtors sold, assigned and transferred to QWF all of their right, title and interest in their respective accounts receivable. Pursuant to a certain Receivables Purchase Agreement dated October 24, 2007 (the “**Canadian Receivables Purchase Agreement**”), the sellers under the Canadian Receivables Purchase Agreement sold, assigned and transferred to QWF all of their right, title and interest in their respective accounts receivable. (The accounts receivable and other related rights sold pursuant to the U.S. Receivables Purchase Agreement and the Canadian Receivables Purchase Agreement are collectively referred to herein as the “**Receivables Portfolio**”).

QWF, in turn, sold, assigned and transferred a variable, undivided percentage interest in the Receivables Portfolio pursuant to a certain Amended and Restated Receivables Sale Agreement, dated as of December 22, 1999 (as amended, the “**Receivables Sale Agreement**” and, together with the U.S. Receivables Purchase Agreement and the Canadian Receivables Purchase Agreement and all related documents, the “**Existing Receivables Facility**”), among QWF, Quebecor Printing (USA) Holdings, Inc., as collection agent, Amsterdam Funding Corporation, as a conduit purchaser, and ABN AMRO Bank N.V., as agent for the Purchasers (as defined in the Receivables Sale Agreement) (the “**Existing Receivables Facility Agent**”), to the Purchasers (as defined in the Receivables Sale Agreement), with QWF retaining certain rights to collections received on account of the Receivables Portfolio in excess of the Existing Receivables Facility Agent’s and Purchasers’ interest therein (the “**Remainder Interest**”).

As of the Determination Date, the Existing Receivables Facility Agent and the Purchasers agreed to sell all their right, title and interest in the Receivables Portfolio and certain related rights to QWUSA for approximately \$418,000,000 plus expenses, pursuant to the terms of a payoff and assignment agreement dated as of January 24, 2008 among QWF, QWUSA, QWI, the Existing Receivables Facility Agent and the Purchasers (the “**Purchase Agreement**”) and QWF agreed to assign all its right, title and interest in the Remainder Interest and certain related rights to QWUSA pursuant to the Assignment Agreement dated as of January 24, 2008 between QWF and QWUSA (the “**Remainder Assignment Agreement**”). The sale of all right, title and interest of the Existing Receivables Facility Agent and the Purchasers in the Receivables Portfolio and certain related rights to QWUSA was to be effected by the assignment contained in the Purchase Agreement and the transfer of all right, title and interest of QWF in

the Remainder Interest and certain related rights to QWUSA was to be effected by the assignment contained in the Remainder Assignment Agreement.

Upon the entry of the Interim DIP Order and the satisfaction of the conditions to lending under and the availability of the DIP Facility, QWUSA was directed to, and did, acquire all right, title and interest of the Existing Receivables Facility Agent and the Purchasers in the Receivables Portfolio and certain related rights for a purchase price of approximately \$418,000,000 plus expenses pursuant to the terms of the Purchase Agreement, which sale was effected by the assignment contained in the Purchase Agreement, and QWF transferred all of its right, title and interest in the Remainder Interest to QWUSA in full satisfaction of certain revolving subordinated notes issued by QWF to QWUSA and certain other U.S. Debtors incident to the U.S. Receivables Purchase Agreement and/or as a dividend to QWUSA as its sole equity holder, which transfer was effected by the Remainder Assignment Agreement.

Following the transfer to QWUSA of all right, title and interest in the Receivables Portfolio, all rights, liens and any claims of the Existing Receivables Facility Agent and the Purchasers in the Receivables Portfolio were terminated, and all right, title and interest in the accounts receivable and related rights comprising the Receivables Portfolio vested in QWUSA.

Equipment Leasing Arrangements

As of the Determination Date, QWI was a party to a significant number of operating lease transactions entered into for the purpose of financing the acquisition of presses, bindery equipment and other equipment utilized in the Corporation's business. As of the Determination Date, QWI had approximately ● in future minimum lease payments under such leases.

Other Debt

As of the Determination Date, QWI had approximately \$● in future minimum lease payments under operating leases for real property.

On the Determination Date, QWI had outstanding obligations to trade vendors in the aggregate amount of approximately \$[●] million.

QWI is also party to a number of long term contracts and leases, the rejection of which in the CCAA Proceedings could give rise to substantial additional claims.

V. THE PLAN

A. BACKGROUND TO THE PLAN

Events Leading Up to the CCAA Proceedings

The Corporation's financial performance has suffered in the last several years as a result of a combination of factors, including declining prices and sales volume, and a temporary disturbance caused by a major retooling of its printing operations initiated in 2002. The retooling program looked to upgrade the Corporation's equipment to reflect up-to-date technology, including the development of new printing technologies, the upgrade of existing printing assets and the further development of integrated services, in order to improve the Corporation's efficiency and reduce costs. As part of the retooling program, the Corporation also closed, announced the closure of or sold a total of 27 facilities. By consolidating platforms into fewer but larger and more specialized plants, administrative costs were significantly reduced. A major component of the retooling program included the purchase of the latest generation web offset presses targeted towards the magazine, catalogue, retail and book platforms of the Corporation's U.S. operations. These new presses were meant to further improve efficiency and meet the needs of both publishers and retailers. Under this retooling program, the Corporation installed 20 new presses in its U.S. facilities. During this period, the Corporation permanently de-commissioned or sold over 70 presses and relocated nearly 40 presses, excluding European operations. While it substantially completed its retooling program in North America, and achieved, and even surpassed, its cost reduction objectives, the Corporation was unable to meet its forecasted earnings projections. Rather, the combination of significant capital investments and continued operating losses in Europe resulted in increased financing needs. In late 2007, it was also necessary for the Corporation to repurchase certain private notes in order to avoid breaching certain financial covenants, while also facing reduction in amounts available under the Syndicate Agreement. These factors had a significant impact on all of the members of the Corporation's corporate family, and, accordingly, adversely impacted QWI's operations and financial position.

In 2006, restructuring initiatives related to the closure or downsizing of various facilities were undertaken, mainly in connection with the North American and European operations, including the closure of printing and binding facilities in Illinois in the catalogue group, the closure of the Kingsport, Tennessee facility in the book group, and the closure of the Red Bank, Ohio, and the Brookfield, Wisconsin facilities in the magazine group, which further affected QWI's liquidity.

On November 7, 2007, QWI announced its consolidated financial results for the third quarter of 2007, and in this regard disclosed that its revenues had declined against the prior periods in 2006 and that it had an operating loss for the third quarter of 2007 of \$315 million. QWI further announced that it had completed its annual goodwill impairment testing, which resulted in the recognition of a goodwill impairment of its European operation in an amount equal to its entire carrying value of \$166 million, and a \$120 million impairment charge on long-lived assets in North America and Europe.

At the same time, certain other events further complicated QWI's efforts to improve its balance sheets and financial position. First, on November 13, 2007, QWI announced a refinancing plan consisting of a \$250 million equity offering and a \$500 million debt offering. On November 20, 2007, however, QWI announced the withdrawal of such refinancing plan due to adverse financial market conditions. Second, on December 13, 2007, QWI announced that it would not be able to consummate a previously announced transaction to sell its European operations, which would have resulted in proceeds to QWI of approximately \$341 million, to be paid in cash, shares and through the assumption of indebtedness.

Although the Corporation aggressively sought to raise additional funds, it was not successful, and the lenders under the Syndicate Agreement indicated that under the circumstances that existed at the time

they were not willing to provide any further advances under the bank facility beyond those permitted. Facing year-end covenant defaults under the Syndicate Agreement, QWI obtained a waiver from the bank syndicate lenders and from the sponsors of its North American securitization program, subject to the satisfaction of certain conditions and refinancing milestones, including obtaining \$125 million in new financing by January 15, 2008.

Moreover, the Corporation faced a severe liquidity crisis prior to the Determination Date. Even if operations were conducted in the normal course of business, QWI's cash flow projections indicated that it would require approximately \$225 million to satisfy its obligations through the end of January 2008, with less than \$50 million of availability under the Syndicate Agreement. As of the Determination Date, QWI had aggregate outstanding trade payables of approximately \$450 million, of which approximately \$120 million were attributable to the U.S. Debtors, \$110 million were attributable to QWI's other North American operations (including Latin America) and \$220 million were attributable to the European operations. In addition to ordinary course payments, QWI was also contractually obligated to make debt payments of approximately \$19.5 million by January 15, 2008 and to make payments related to pension obligations of approximately \$10 million.

As a result of the unsuccessful efforts to obtain new financing, the inability to conclude the proposed sale of the European operations and continued operational demands, by mid-January 2008, the Corporation was experiencing a severe lack of liquidity and concluded it no longer had the ability to meet obligations which were falling due. On January 21, 2008, the Petitioners commenced the CCAA Proceedings before the Court for a plan of reorganization and compromise under the CCAA. On January 21, 2008, the U.S. Debtors also filed voluntary petitions for relief in the U.S. Court under Chapter 11 of the Bankruptcy Code to commence the Chapter 11 Cases. The Court appointed Ernst & Young, Inc. to serve as Monitor for the CCAA Proceedings. Donlin Recano & Company was appointed as claims agent for the Chapter 11 Cases.

Significant Events During the CCAA Proceedings

CCAA Filing

As noted above, the Petitioners filed for relief under CCAA on January 21, 2008. Since that date, the Corporation has continued to operate subject to the supervision of the Court in accordance with the CCAA. An immediate effect of the filing of the Petitioners' CCAA Proceedings was the imposition of the stay of proceedings under Section 11 of the CCAA which, with limited exceptions, enjoined the commencement or continuation of all collection efforts by creditors, the enforcement of liens against property of the Petitioners and the continuation of litigation against the Petitioners.

DIP Credit Agreement

On January 21, 2008, QWI sought authority to execute and enter into a \$1,000,000,000 Senior Secured Superpriority Debtor-in-Possession Credit Agreement (as subsequently amended by amendments dated January 25, 2008, February 26, 2008, March 27, 2008 and August 5, 2008, the "**DIP Credit Agreement**") among QWI and QWUSA, as Borrowers, the Guarantors party thereto, Credit Suisse, as Administrative Agent, Initial Issuing Bank and Initial Swing Line Lender, General Electric Capital Corporation and GE Canada Finance Holding Company, as Collateral Agent, Morgan Stanley Senior Funding, Inc. and Wells Fargo Foothill, LLC, as Co-Syndication Agents, Wachovia Bank, N.A., as Documentation Agent, and the DIP Lenders. The DIP Credit Agreement is guaranteed by substantially all of the direct and indirect North American Subsidiaries and certain foreign Subsidiaries of QWI and QWUSA. The DIP Facility was approved by the Court in the Initial Order.

The DIP financing 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 DIP Lenders of \$400 million (the “**Revolving DIP Facility**”) bearing interest at variable rates based on Base rate, or Eurodollar rate, Canadian Banker’s Acceptance rate or Canadian prime rate, plus applicable margins and a \$600 million term loan (“**DIP Term Loan**”), bearing interest at variable rates based on Base rate, or Eurodollar rate, plus applicable margins, which was fully drawn immediately following the Interim DIP Order. Amounts borrowed under the DIP Term Loan and repaid or prepaid may not be re-borrowed. Under the Revolving DIP Facility, the availability of funds is determined by a borrowing base based on percentages of eligible receivables and inventory. The unused portion of the Revolving DIP Facility is subject to a commitment fee of 0.50% per annum. From the date of the Interim DIP Order up to the date of the Final DIP Order, the maximum availability under the Revolving DIP Facility was \$150 million. By the entry of the Final DIP Order, the maximum availability under the Revolving DIP Facility became \$400 million. On June 30, 2008, the Corporation repaid \$74.5 million on its DIP Term Loan, using proceeds from the sale of its European operations. As at March 27, 2009, the Corporation had outstanding borrowings of approximately \$525.5 million under the DIP Term Loan and \$36.4 million under the Revolving DIP Facility.

The Revolving DIP Facility and DIP Term Loan are secured by a perfected lien on, and security interest in, all present and after-acquired property of QWI, QWUSA and the Guarantors. The liens are junior to the liens securing the Corporation’s Syndicate Agreement and the Equipment Financing Agreement up to an aggregate amount of \$170 million (plus certain expenses), to the extent such liens were determined to be valid, perfected and not voidable.

The DIP Credit Agreement contains restrictive covenants, financial ratios and events of default that are customary for a debtor-in-possession credit agreement. The DIP Credit Agreement provides for various restrictions on, among other things, the ability of the Corporation to incur additional debt, secure such debt, make investments, dispose of their assets (including pursuant to sale and leaseback transactions and sales of receivables under securitization programs) and make capital expenditures. Each of these transactions would require the consent of a majority of the DIP Lenders if they exceed certain thresholds set forth in the DIP Credit Agreement, and may, in certain cases, require the consent of the Monitor, the U.S. Court and/or the Court.

The DIP Revolving Facility and DIP Term Loan mature on the earliest to occur of (a) July 21, 2009 and (b) the substantial consummation of a Plan. The DIP Credit Agreement 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 certain debt and certain extraordinary receipts.

Should either the CCAA Proceedings or the Chapter 11 Cases be dismissed, or any order entered granting relief from the stays provided for thereunder, an event of default under the DIP Credit Agreement would occur and the outstanding debt would become due and payable immediately, which would, in all likelihood, lead to the liquidation of all of the Corporation’s assets.

Cross-Border Insolvency Protocol and the Cross-Border Protocol on the Filing and Determination of Claims

To facilitate cross-border coordination between the Chapter 11 Cases and the CCAA Proceedings, QWI and its key creditor constituencies determined that it would be necessary and advisable to implement procedures to govern certain cross-border elements of the Insolvency Proceedings.

The Cross-Border Insolvency Protocol, as amended (the “**Insolvency Protocol**”) was approved by the U.S. Court pursuant to an order entered April 9, 2008, and by the Court pursuant to an order dated

April 21, 2008. The purpose of the Insolvency Protocol was to implement basic administrative procedures necessary to coordinate certain activities between the CCAA Proceedings and Chapter 11 Cases to ensure the maintenance of the Court's and the U.S. Court's respective independent jurisdiction and to give effect to the doctrines of comity.

The Cross-Border Protocol on the Filing and Determination of Claims (the "**Claims Protocol**"), which was attached as Schedule "B" to the Claims Procedure Order, was approved by the Court and the U.S. Court on September 29, 2008 pursuant to the Claims Procedure Order entered on September 29, 2008 and the U.S. Bar Date Order entered on September 30, 2008. The purpose of the Claims Protocol is to supplement the procedures established by the Court and the U.S. Court in the Claims Procedure Order and the U.S. Bar Date Order, respectively, to (i) provide clear and consistent notice concerning the procedures for Claims filed against the Petitioners in Canada and the U.S. Debtors in the United States, (ii) avoid confusion relating to the filing of duplicate claims against the same entity in the CCAA Proceedings and the Chapter 11 Cases, and (iii) to establish an efficient and consistent procedure to address the determination of claims in the Insolvency Proceedings. The Claims Protocol provides procedures by which (i) Claims filed against the wrong U.S. Debtor in the Chapter 11 Cases may be deemed filed against a different U.S. Debtor and (ii) Claims filed in the Chapter 11 Cases that should have been filed in the CCAA Proceedings may be deemed filed in the CCAA Proceedings, or vice versa.

Chapter 15 Filing

On September 29, 2008, the Court authorized the Monitor, in its capacity as the foreign representative of QWI, to petition the U.S. Court to initiate proceedings under Chapter 15 of the Bankruptcy Code (the "**Chapter 15 Proceedings**") with respect to QWI. On September 30, 2008, the Monitor filed a Petition for Recognition of the Foreign Proceeding (the "**Chapter 15 Petition**") in the U.S. Court seeking the entry of an order: (i) recognizing the CCAA Proceedings as a "foreign main proceeding"; (ii) enforcing the Claims Procedure Order of the Court dated September 29, 2008 in the United States; and (iii) providing other and further relief as appropriate.

The U.S. Court entered an order approving the form of notice and manner of service of the Chapter 15 Petition on October 1, 2008. On November 14, 2008, the U.S. Court entered an order recognizing the CCAA Proceedings as a foreign main proceeding pursuant to Section 1517 of the Bankruptcy Code and enforcing the Claims Procedure Order against all U.S. creditors of QWI.

Other Significant Actions

In addition to Initial Order, the Claims Procedure Order, the Claims Protocol, the Creditors' Meeting Order and the other matters described above, QWI has sought and obtained certain orders from the Court that are of particular importance in the operation of QWI's businesses or in the administration of the CCAA Proceedings. All such orders are available on the website maintained by the Monitor at www.ey.com/ca/quebecorworld.

Sale of European Operations

Over the last few years, the Corporation's European operations faced difficult market conditions, including lower customer demand, greater price competition, growing presence of low-cost competitors in Eastern Europe and Asia, and traditional competitors operating at marginal cost. These factors, in addition to the deterioration of European financial performance resulting from excess printing capacity in Europe, caused management of the Corporation to initiate a strategic review of the Corporation's European operations. Management concluded that the European operations were non-strategic to the Corporation's core business in North America, given the uncertainty of the long-term profitability of the European operations and the negative returns in spite of new investments made by the Corporation over the last several years.

In a joint hearing on June 17, 2008, the Court and the U.S. Court approved the sale of Quebecer's European operations to HHBV, a Netherlands based investment group (which has since become CirclePrinters Holding B.V.). The sale closed on June 26, 2008. In consideration for the assets, the Corporation received €52.2 million in cash at closing, and HHBV issued a €21.5 million five-year note bearing interest at 7% per year payable to QWI.

Sales of Non-Core Assets, Closure of Underperforming Facilities and other Cost-Savings Initiatives

In addition to the sale of the European operations, during the course of its reorganization, the Corporation has continuously reviewed its business to seek ways to enhance its operating efficiency, consolidate operations and dispose of unnecessary or underutilized assets.

- **Sale of Aircraft.** On May 26, 2008, the Court allowed U.S. Debtor Quebecor Printing Aviation Inc. to acquire all rights, title and interest in an aircraft previously leased by Quebecor Printing Aviation Inc. from a third party and subsequently to sell it to Quebecor Media Inc. Quebecor Printing Aviation Inc. and received a cash consideration of \$20.3 million from Quebecor Media Inc., resulting in a gain on disposal of \$9.9 million before taxes.
- **Sale of Indian Operations.** In November 2008, the Corporation completed the sale to Bandhu Industrial Resources Private Limited of its interest in TEJ Quebecor Printing Limited, which operates a printing facility located in Gurgaon, India, for a total net consideration of approximately U.S.\$150,000.
- **Sales of Real Property.** During the Insolvency Proceedings, QWI sold a property at 2325 Dandurand, Montreal, Canada for CDN\$1,200,000, QWI ceased operations at that facility due to the closure of the operations at that facility. In addition, on August 18, 2008, QWI sold its property at 975 Gladstone Avenue, Ottawa, Canada, K1V 4W5 to Broccolini Construction (Ontario) Inc. for CDN\$3,350,000. For some years prior to the sale, QWI had not been using this facility for its operations.
- **Plant Closures and Other Cost Savings Initiatives.** The Corporation has undertaken various restructuring initiatives in order to ensure that its facilities are producing optimal pressroom efficiencies and higher returns. During 2008, the North American workforce was reduced by 2,953 employees, or 13.8%, mainly due to these restructuring initiatives, including the closure of QWI's Islington facility in Ontario, Canada, which was completed in the fourth quarter of 2008; the closure of QWI's Magog facility in Quebec, Canada, which was completed in the first quarter of 2008; and a significant downsizing of QWI's Aurora/Richmond Hill facilities in Ontario, Canada. Such initiatives also included the closure of the North Haven, CT facility, which was completed in the second quarter of 2008. The Corporation has also reduced its workforce in most of its other facilities, including its corporate offices, in order to align itself with current market conditions.

New and Extended Customer Contracts

During the pendency of the Insolvency Proceedings, the Corporation has entered into significant new customer contracts. These include the following:

- **Simon & Schuster.** A multi-year extension to QWUSA's contract with Simon & Schuster, Inc. Under this new agreement, the Corporation and Simon & Schuster will continue a long standing relationship for the printing and binding of high quality hard cover and soft cover consumer books. At current levels, the Corporation will supply Simon & Schuster with over 100 million books per year from its network of six dedicated book facilities in the United States.

- **Reader's Digest.** A multi-year agreement between QWUSA and R.D. Manufacturing Corporation, a subsidiary of the Reader's Digest Association, to print magazines and books for the New York-based publisher. The agreement includes renewal work on titles such as Family Handyman, Reader's Digest Large Print, Weekly Reader, QVC books and Select Editions books. The agreement also includes significant new work for the Corporation, including Weekly Reader Current Events and Reader's Digest Milwaukee Magazine.
- **Dex Media.** An extended and expanded multi-year agreement with Dex Media Inc. Under this expanded agreement QWUSA extended its existing directory printing agreement covering Dex directories in fourteen Western and Central states. In addition, the contract expands the products to be manufactured by the Corporation for Dex Media.
- **PARADE Publications.** A renewed and extended agreement with PARADE Publications to print 100% of PARADE Magazine in the U.S. PARADE, a division of Advance Magazine Publishers, Inc., is one of the premier Sunday Magazines in the U.S., with more than 71 million weekly readers.
- **Bed Bath & Beyond.** A multi-year extension of a printing agreement between Quebecor World Printing (USA) Corp. and Bed Bath & Beyond, a chain of retail stores operating under the names of Bed Bath & Beyond, Christmas Tree Shops, Harmon, Harmon Face Values and buybuy BABY.
- **Yellow Book USA.** An amendment of an agreement between QWUSA and Yellow Book USA, Inc. to, among other things, extend the agreement's original term. Yellow Book USA, Inc. is the largest independent publisher of yellow pages directories.
- **United Stationers.** An amendment of an agreement between Quebecor World RAI, Inc. and United Stationers Supply Co. to, among other things, extend the term of the agreement. United Stationers is North America's largest broad line wholesale distributor of business products. Under this agreement, the Corporation prints and produces for United Stationers its annual General Line Catalogue and a series of other catalogues produced as part of United Stationers' Supplemental Catalogue Programs.
- **Disney.** A multi-year extension of QWUSA's contract with Disney Book Group, LLC. Since 2005, QWUSA has printed and produced books for Disney Book Group, LLC, which is part of Disney Publishing Worldwide, Inc. - one of the world's largest publishers of children's books and magazines.
- **RONA.** A multi-year contract with RONA, Canada's largest hardware, home renovation and gardening products distributor and retailer, and its affiliates across Canada. Pursuant to this new agreement, which prolongs and expands the scope of the existing partnership between QWI and RONA, QWI will print 100% of RONA's advertising material, including its retail flyers.
- **Imagitas.** A renewal of the Corporation's agreement with Imagitas, Inc., a marketing services company, relating to products manufactured for Imagitas in the Corporation's Book and Direct Mail facilities.
- **Stamats Business Media.** A multi-year agreement to print 100% of a nine-title portfolio of magazines published by Stamats Business Media of Cedar Rapids, Iowa. The titles include Archi-Tech, Buildings, Interiors & Sources and four regional editions of Meetings magazine.

- **Meister Media Worldwide.** A new multi-year agreement to print 16 magazine titles for Meister Media Worldwide, a leading agricultural publisher based in Cleveland, Ohio. Titles include Cotton Grower, American Fruit Grower, American Vegetable Grower, Greenhouse Grower, CropLife and other titles. The all-new work for the Corporation includes 100% of Meister's titles.
- **Affinity Group.** A major multi-year renewal agreement with Affinity Group, Inc., to print 100% of the publisher's 30 magazine titles, including MotorHome, American Rider, ATV Magazine, Trailer Life, Camping Life and Highways. The agreement extends a long-standing relationship with the Ventura, California-based publisher of recreational vehicle and enthusiast magazines. This new agreement also adds Powerboat magazine, a leading magazine in its category.
- **Amos Publishing.** A multi-year agreement to print two weekly magazines for Amos Publishing of Sidney, Ohio. Coin World and Linn's Stamp News are the flagship magazines of Amos, which is a leader in the hobbyist and collector publishing markets. The two weeklies join 14 other Amos titles currently printed by the Corporation.
- **McGraw-Hill.** A new contract with The McGraw-Hill Companies extending into 2014 that covers a wide range of educational textbooks, ancillary products, professional learning products and catalogues.
- **Wenner Media.** A new multi-year agreement with Wenner Media to print its three magazines titles-Rolling Stone, US Weekly and Men's Journal. Under the new agreement the Corporation will increase its volume with Wenner Media by approximately 10% as the exclusive printer for Rolling Stone and Men's Journal and will print more than one million copies of US Weekly each week. Wenner's annual print volume with the Corporation could exceed 100 million copies.
- **Bauer Publishing.** A new multi-year agreement with Bauer Publishing. Under the agreement, the Corporation will print Woman's World, First for Women, In Touch Weekly, Life & Style, J-14 and Life Story.
- **Canada Wide Media.** A new multi-year agreement with Canada Wide Media Ltd to print Magazines and Periodicals for the Vancouver-based publisher. The agreement includes renewal work on titles such as BC Business, Westworld Publications, BC Home, Alberta Home, Gardenwise and Granville Magazine.
- **CVS Caremark Corporation.** A multi-year extension to the relationship between QWI and CVS Caremark Corporation. Under the extension, QWI will continue to produce 100% of the CVS retail insert program as well as incremental volume from CVS Caremark's recent acquisition of Long's Drug Stores.
- **Rodale, Inc.** A multi-year renewal agreement between QWI and Rodale, Inc. to print hardcover and paperback books. Under the new agreement, QWI will print major portions of Rodale's trade and direct response book business, which includes such best-selling titles as the South Beach Diet, Flat Belly Diet!, and The Abs Diet. The agreement also includes the printing of "bookazines," a Rodale publication format that combines elements of magazine and book content distributed via newsstands.
- **Forbes.** A multi-year renewal agreement between QWI and Forbes Magazines extending a supplier relationship that has been in place for more than 25 years. Under the new agreement, QWI will continue to print Forbes and related magazine titles well into the next decade. The agreement also covers the printing and distribution of ForbesLife and ForbesLife Executive

Women, as well as related ancillary printing projects. The agreement includes premedia and logistics services, providing Forbes with a true end-to-end service solution.

- **Boardroom Inc.** A multi-year agreement has been signed between QWI and Boardroom Inc., a Stamford, CT based company. This agreement covers the printing and distribution of Boardroom's "Bottom Line" series of newsletters and related books and special reports and represents more than a six-fold increase in QWI's business volume with the company.
- **Newsweek Budget Travel, Inc.** A multi-year agreement between QWI and Newsweek Budget Travel, Inc. to print Arthur Frommer's Budget Travel, a monthly magazine with a print run exceeding 750,000 copies. The agreement also allows for the printing of two annual special issues. This is new business to QWI, which has printed the West Coast editions of Newsweek's flagship title for 15 years.

Adversary Proceedings

Private Notes Adversary Proceeding

On September 19, 2008, pursuant to Rule 7001 of the Bankruptcy Rules and §§ 502(d), 547(b) and 550(a) of the Bankruptcy Code, the Creditors' Committee filed in the United States the Private Notes Adversary Proceeding seeking to avoid and recover approximately U.S.\$376 million in alleged preference payments made by the Company to such defendants during the ninety (90) days prior to the filing of the Chapter 11 Cases to redeem the following privately held notes:

- 8.42% Senior Notes, Series A, due July 15, 2010 issued pursuant to a Note Purchase Agreement dated as of July 12, 2000 by Quebecor World Capital Corporation and guaranteed by Quebecor World Inc. and Quebecor World (USA) Inc. (as successor to Quebecor Printing (USA) Holdings Inc.);
- 8.52% Senior Notes, Series B, due July 15, 2012 issued pursuant to a Note Purchase Agreement dated as of July 12, 2000 by Quebecor World Capital Corporation and guaranteed by Quebecor World Inc. and Quebecor World (USA) Inc. (as successor to Quebecor Printing (USA) Holdings Inc.);
- 8.54% Senior Notes, Series C, due September 15, 2015 issued pursuant to a Note Purchase Agreement dated as of September 12, 2000 by Quebecor World Capital Corporation and guaranteed by Quebecor World Inc. and Quebecor World (USA) Inc. (as successor to Quebecor Printing (USA) Holdings Inc.); and
- 8.69% Senior Notes, Series D, due September 15, 2020 issued pursuant to a Note Purchase Agreement dated as of September 12, 2000 by Quebecor World Capital Corporation and guaranteed by Quebecor World Inc. and Quebecor World (USA) Inc. (as successor to Quebecor Printing (USA) Holdings Inc.).

Syndicate/Soc. Gen. Adversary Proceeding

On January 16, 2009, the Creditors' Committee filed in the United States the Syndicate/Soc. Gen. Adversary Proceeding to avoid and recover fraudulent conveyances that certain of the U.S. Debtors allegedly made to the Administrative Agent and the Syndicate Agreement Collateral Agent, for the benefit of themselves and the lenders under the Syndicate Agreement in late October 2007. The allegedly fraudulent and avoidable conveyances include the following:

- Guarantees provided by certain of QWUSA's subsidiaries with respect to all obligations under the amended Syndicate Agreement with the defendants, pursuant to a subsidiary guaranty dated October 26, 2007. Under the guaranty, each guarantor is jointly and severally liable for all of the obligations under the amended Syndicate Agreement.
- Share pledges by The Webb Company and QWUSA of their respective shares of QW Memphis Corp. to the Syndicate Agreement Collateral Agent, pursuant to a pledge agreement, dated October 26, 2007.
- Share pledge by Quebecor World Memphis LLC of its shares of QW Memphis Corp. to the Syndicate Agreement Collateral Agent, pursuant to a pledge agreement joinder to The Webb Company's pledge agreement, executed and delivered sometime in November 2007.
- Grant by QW Memphis Corp. of a lien on all of its personal and real property (other than accounts receivable subject to securitization programs and one piece of real property) to the Syndicate Agreement Collateral Agent.

Paulian Action

On September 29, 2008, the Court granted an order lifting the stay of proceedings for the sole purpose of permitting the Syndicate Committee to file the Paulian Action contesting the opposability of the liens and subsidiary guarantees granted by the Petitioners to the Syndicate and the lenders under the Equipment Financing Agreement incident to the Fourth Amendment to the Syndicate Agreement. The order expressly provided that, immediately following the issuance and service of the Paulian Action, all further proceedings with respect to such Paulian Action be immediately stayed until further order of the Court.

Syndicate Compromise

In connection with negotiations among the Syndicate Committee, the Ad Hoc Group of Noteholders and the Creditors' Committee regarding the reorganization of QWI under the Insolvency Proceedings, the Syndicate Committee, the Ad Hoc Group of Noteholders, the Creditors' Committee and QWI, along with their respective financial advisors and legal counsel, exchanged information and views regarding their respective positions as to the appropriate value and recovery to be attributed to the obligations owing to the different creditor groups. Among other things, the Syndicate Committee took the position that the liens and subsidiary guarantees granted to the lenders under the Syndicate Agreement and the Equipment Financing Agreement incident to the Fourth Amendment to the Syndicate Agreement resulted in the right of the lenders under the Syndicate Agreement and the Equipment Financing Agreement to a priority recovery over any recovery otherwise available to the holders of Senior Notes Claims and other Affected Unsecured Claims.

The Ad Hoc Group of Noteholders and the Creditors' Committee disagreed with certain of the positions asserted by the Syndicate Committee regarding the grant of such liens and subsidiary guarantees, and, as noted above, on September 29, 2008 the Syndicate Committee filed the Paulian Action in the CCAA Proceedings and on January 16, 2009 the Creditors' Committee filed the Syndicate/Soc. Gen. Adversary Proceeding on behalf of the U.S. Debtors in the Chapter 11 Cases seeking to avoid such guarantees and liens. In the event that such adversary proceedings were to result in a finding that the guarantees and liens were voidable as fraudulent conveyances under applicable Laws, the status of the Claims of the lenders under the Syndicate Agreement and the Equipment Financing Agreement as Secured Claims or Claims structurally senior to the Claims of the holders of Senior Notes and all other Affected Unsecured Claims would not be sustained. Conversely, were the liens and guarantees issued

incident to the Fourth Amendment to the Syndicate Agreement upheld, which liens and guarantees would be examined separately under the respective adversary proceedings based on the facts and circumstances applicable to each of the Syndicate Agreement and the Equipment Financing Agreement, the recovery available to the holders of Senior Notes Claims and the holders of Affected Unsecured Claims could be lower than is contemplated under the Plan.

In reaching an agreement for the reorganization of QWI under the Insolvency Proceedings acceptable to the Syndicate Committee, the Ad Hoc Group of Noteholders and the Creditors' Committee that would allow for their successful exit from the Insolvency Proceedings with a new capital structure that would ensure their ability to continue their businesses in the ordinary course, the Syndicate Committee, the Ad Hoc Group of Noteholders and the Creditors' Committee agreed to the Syndicate Compromise to settle the aforementioned litigation against the lenders and agents under the Syndicate Agreement. Under the Syndicate Compromise, the lenders under the Syndicate Agreement will contribute the Syndicate Compromise Amount, as defined in the U.S. Plan, to, *inter alia*, the holders of Senior Notes Claims and Affected Unsecured Claims, and the Creditors' Committee will agree to dismiss the Syndicate/Soc. Gen. Adversary Proceeding upon the Implementation Date of the Plan, inasmuch as those proceedings relate to the Syndicate.

The lenders under the Equipment Financing Agreement, the Creditors' Committee and the Ad Hoc Group of Noteholders have not, as of the date of this Circular, reached an agreement regarding the nature and amount of recovery on account of their Claims under the Equipment Financing Agreement acceptable to the Syndicate Committee, the Ad Hoc Group of Noteholders and the Creditors' Committee. Accordingly, the Plan calls for the Claims under the Equipment Financing Agreement to be treated as Disputed Claims, and for any consideration otherwise payable to the lenders under the Equipment Financing Agreement to be held in the QWI Reserve until the validity of such security is finally determined.

United Kingdom Administration Proceedings

On January 28, 2008, the Corporation announced that its British subsidiary, Quebecor World PLC ("QW UK"), based in Corby, was being placed into administration. Ian Best and David Duggins of Ernst & Young UK were jointly appointed as administrators (the "**Joint Administrators**") of QW UK by the company's directors. Absent a purchaser for the business as a going concern and due to continued customer exodus, the Joint Administrators terminated QW UK's operations and commenced a liquidation process in February 2008. The mandate of the Joint Administrators was converted in November 2008, to a Creditors' Voluntary Liquidation ("**CVL**") and the Joint Administrators became Joint Liquidators of QW UK ("**Liquidators**") under the CVL.

On March 6, 2009, the Liquidators of QW UK declared and paid a first interim dividend of 7.5 pences in the pound (£) to creditors (whose claims have been agreed to by the Liquidators) for a total payment of £1,107,178.86 to QWSA (£601,122.45 to QWSA Fribourg and £506,056.41 to QWSA Luxembourg). Any subsequent dividends are contingent upon the sale of the remaining properties of QW UK. The timing of the sale of these properties is unknown at this time.

Status of Claims Process

Pursuant to the Claims Procedure Order, QWI initiated a process for Affected Creditors to file Proofs of Claim against QWI for Claims and for Restructuring Claims on or prior to the Claims Bar Date and a dispute mechanism is in place for those Claims that cannot be resolved by way of negotiation with QWI and/or the Monitor. Refer to Section II.B "*Creditors' Meeting and Voting Instructions — Entitlement to Vote*" for a summary of the procedures set forth in the Claims Procedure Order for the filing of the Proofs of Claim.

The Monitor in the Canadian Proceedings received approximately 1,100 timely filed proofs of claim as of the Claims Bar Date totalling approximately Cdn\$4.0 billion. Donlin Recano, the U.S. Debtors' Claims Agent received approximately 8,900 timely filed proofs of claim as of the Claims Bar Date totalling approximately U.S.\$45.5 billion. QWI believe that many of these proofs of claim are either entirely or partially invalid, duplicative or otherwise substantially overstated in amount. QWI is in the process of evaluating the proofs of claim and anticipate that it will file objections to many of them.

B. DESCRIPTION OF THE PLAN

The following description of the Plan is a summary only and is qualified in its entirety by the full text of the Plan. The governing document is the Plan which is attached as Exhibit B — “Plan of Reorganization and Compromise” to this Circular.

Purpose of the Plan

As a result of the events more fully described under Section V.A “*The Plan — Background to the Plan*”, QWI has developed the Plan and the U.S. Debtors have developed the U.S. Plan (together with the Plan, the “**Plans**”). Effectiveness of the Plan is conditional upon the effectiveness of the U.S. Plan, and effectiveness of the U.S. Plan is conditional upon the effectiveness of the Plan.

The purpose of the Plan is to restructure the capitalization of QWI and provide for the coordinated restructuring and compromise of the Affected Claims of Affected Creditors. The Plan is designed to:

- (iii) complete a restructuring of QWI's debt obligations and a reorganization of its capital structure; and
- (iv) reorganize QWI's corporate structure to enable certain key businesses to better compete for third-party business and generate value for its stakeholders.

The Plans are the result of an extensive review of the available alternatives by the Board, QWI's management, its financial and its legal advisors, with the assistance of the Monitor.

Timing for Plan to Become Effective

The following sets forth certain events and dates in the timeline to emergence by QWI from the CCAA Proceedings:

January 21, 2008	Grant of Initial Order
May [7], 2009	Filing of Plan with the Court
May [14], 2009	Creditors' Meeting Order
May [25], 2009	Mailing of the Circular and related materials to Affected Creditors
June [18], 2009	Creditors' Meeting
June [30], 2009	Court hearing in respect of the Sanction Order

July [10], 2009	Targeted date for Implementation Date
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Compromise and Reorganization

Persons Affected

The Plan provides for a coordinated restructuring and compromise of Affected Claims against QWI. The U.S. Debtors are Subsidiaries of QWI and subject to proceedings under the Bankruptcy Code and have filed the U.S. Plan with the U.S. Court. The effectiveness of the Plan is conditioned upon the effectiveness and implementation of the U.S. Plan. The Plan will become effective on the Implementation Date in accordance with its terms and in the sequence set forth therein. At the Implementation Date, each Affected Claim against QWI will be fully and finally compromised or otherwise assigned, transferred or alienated as set forth in the Plan, including the Restructuring Transactions. The Plan shall be binding on and enure to the benefit of QWI, the holders of the Existing QWI Shares, the holders of Other Equity Securities, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons who have received the benefit of, or are bound by any waivers, releases or indemnities hereunder.

Classes of Affected Claims

For the purpose of voting on, and distributions pursuant to, the Plan, the Affected Claims are divided into two (2) classes as set out below:

- (iii) the Affected Syndicate/Soc. Gen. Class; and
- (iv) the Affected Unsecured Creditor Class.

Excluded Claims and Post-Filing Claims

The Plan does not affect the following (each, an “**Excluded Claim**” and, collectively, the “**Excluded Claims**”):

- the indebtedness, liabilities and obligations secured by the Administration Charge;
- the indebtedness, liabilities and obligations secured by the DIP Lenders’ Charge;
- the indebtedness, liabilities and obligations of the Directors and Officers (as such terms are defined in the Initial Order), which are secured by the D&O Charge;
- the 18.2 Claims;
- all amounts owing to employees and officers employed by and directors of QWI on the Determination Date for wages, salary, benefits (other than amounts owing pursuant to Rejected Employee Agreements), unreimbursed expenses, and amounts owing for accrued and unpaid vacation pay on the Determination Date;
- any Post-Filing Claim;
- any Secured Claim;
- any Intercompany Claim;

- the claims of Canadian Imperial Bank of Commerce as beneficiary of the Cash Collateral (as such term is defined in the Initial Order) in relation to such Cash Collateral, and in its capacity as a provider of the CIBC Banking Services (as such term is defined in the Initial Order); and
- the claims of any current officer, director and employee of QWI for indemnification and/or contribution from such officer's, director's or employee's service to QWI pursuant, and subject to, applicable Laws and the policies and procedures of QWI.

Creditors with Excluded Claims will not be entitled to vote at the Creditors' Meeting or receive any distributions under the Plan in respect of the portion of their Claim which is an Excluded Claim. Nothing in the Plan shall affect QWI's rights and defences, both legal and equitable, with respect to any Excluded Claim including any rights arising under or pursuant to the Plan or any rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Excluded Claims.

Treatment of Affected Claims

Compromise of the Affected Syndicate Claims and the Affected Soc. Gen. Claims.

- a) The Affected Syndicate Claims shall be deemed to be accepted for both voting purposes and distribution purposes in accordance with the Plan in an aggregate amount equal to [●], which shall be the aggregate Proven Claims of the Affected Syndicate Claims and the Holders of the Affected Syndicate Claims shall receive in the aggregate, and subject to this subsection, in respect of the Proven Claims, the Syndicate Litigation Trust Recovery and the Syndicate Pro Rata share of the Syndicate/Soc. Gen. Recovery;
- b) The Affected Soc. Gen. Claims shall be deemed to be accepted for voting purposes in accordance with the Plan in the amount of [●] but shall not be accepted for distribution purposes and shall be deemed to be a Disputed Claim for distributions under the Plan. The Soc. Gen. Pro Rata share of the Syndicate/Soc. Gen. Recovery and the Soc. Gen. Litigation Trust Recovery shall be placed in the QWI Reserve. Accordingly, pending determination of the validity of the security claimed by Soc. Gen., no distribution shall be made in respect of the Affected Soc. Gen. Claims. In the event that the security claimed by Soc. Gen. is determined to be valid and enforceable in accordance with the procedures established for determining Claims, the Soc. Gen. Affected Claim shall be a Proven Claim and Soc. Gen. as the Holder of the Soc. Gen. Claim shall be entitled to receive the Soc. Gen. Litigation Trust Recovery and the Soc. Gen. Pro Rata share of the Syndicate/Soc. Gen. Recovery from the QWI Reserve.
- c) In the event that the security claimed by Soc. Gen. is determined not to be valid and enforceable in accordance with the procedures established for determining Claims, the property then held in the QWI Reserve in respect of the Affected Soc. Gen. Claims shall be distributable to Soc. Gen. and to Holders of Affected Unsecured Claims and Participating Eligible U.S. Unsecured Claimants, on the same basis as if Soc. Gen. was, on the Implementation Date, included in the Affected Unsecured Creditor Class. In such a case, to the extent that any portion of the QWI Reserve attributable to the Affected Soc. Gen. Claim is comprised of Cash or QWI Class A Preferred Shares, such property shall, before distribution, be converted at the rate specified under the terms and conditions of the QWI Class A Preferred Shares to QWI Common Shares, or cancelled, in accordance with the terms of the U.S. Plan.

Compromise of Affected Unsecured Claims.

- a) Each Affected Unsecured Creditor with a Proven Claim, other than in respect of a Holder of a Senior Notes Claim, who has filed an Election Notice with the Monitor by the Election Deadline in which the Affected Unsecured Creditor has elected to receive a cash payment, shall receive in full and final satisfaction of its Proven Claims, a cash distribution in an amount equal to the lesser of (i) Cdn.\$2,500; and (ii) the amount of its Proven Claims. All Election Notices may only be delivered in respect of all, and not less than all, of the Claims of a Holder and, once delivered to the Monitor, will be final and irrevocable and no Affected Unsecured Creditor shall be entitled to change, revoke or withdraw its election to receive a cash payment after receipt by the Monitor of such completed Election Notice. For purposes of Section 2.5(b)(i) of the Plan only, all Claims of a Holder shall be considered to constitute one Claim only;
- b) In accordance with the Plan, each Affected Unsecured Creditor with a Proven Claim who has not filed an Election Notice with the Monitor by the Election Deadline, or who has filed an Election Notice in which the Affected Unsecured Creditor has elected not to receive a cash payment, will receive, in full satisfaction of its Proven Claim against QWI, its Pro Rata share of: (i) 16,277,308 QWI Common Shares; (ii) 10,723,019 (subject to adjustment as described in Schedule "C" of the Plan) Warrant Bundles and (iii) the Affected Unsecured Creditor Litigation Trust Recovery less, in each case, any consideration received by such Affected Unsecured Creditor under the provisions of the U.S. Plan in respect of the same Claim.

18.2 Claims

Within six (6) months after the Implementation Date, QWI will pay in full all 18.2 Claims.

Secured Claims

Each Holder of a Secured Claim shall receive, in full satisfaction, settlement, release and discharge of and in exchange for, such Secured Claim, at the sole option of QWI: (i) the return of the Holder's collateral securing the Secured Claim (ii) ratification of such Holder's security interest, lien or agreement, as applicable; or (iii) such other less favourable treatment as to which QWI and such Holder shall have agreed upon in writing. Further, all valid, enforceable and perfected pre-Determination Date liens on property of QWI held by or on behalf of Holders of Secured Claims with respect to such Claims shall survive the Implementation Date and continue in accordance with the contractual terms of the underlying agreements with such Holders of Secured Claims and/or applicable Law until, as to each such Holder of a Secured Claim, such time as (a) the Holder of the Secured Claim (I) has received a return of the Holder's collateral securing the Secured Claims; (II) has had the lien or security interest securing the Secured Claim, or the agreement relating to such Secured Claim, ratified by QWI; or (III) has agreed in writing with QWI to such other less favourable treatment; or (b) such purported lien, security interest or agreement has been determined by an order of the Court to be invalid or otherwise avoidable.

Intercompany Claims

At the option of QWI, any and all Intercompany Claims may either be ratified, in whole or in part by QWI, and treated in the ordinary course of business, or, with the consent of the holder of such Intercompany Claim, cancelled and discharged, in full or in part, in which case such discharged portion shall be eliminated and such holder thereof shall not be entitled to vote on the Plan nor be entitled to receive any distribution under the Plan.

Employee and Retiree Benefits

Except with respect to any Rejected Employee Agreement (as defined below), on and after the Implementation Date, QWI may: (1) honour, in the ordinary course of business, any contracts,

agreements, policies, programs, and plans, including the Canadian Benefit Plans (collectively, “**Employee Plans**”) for, among other things, compensation (including equity based and bonus compensation), health care benefits, disability benefits, deferred compensation benefits, travel benefits, savings, severance benefits, retirement benefits, welfare benefits, workers’ compensation insurance, and accidental death and dismemberment insurance for the directors, officers, and employees of QWI who served in such capacity at any time; and (2) honour, in the ordinary course of business, Excluded Claims of employees employed as of the Implementation Date for accrued and unused vacation time arising prior to the Determination Date; provided, however, that QWI’s performance of any employment agreement that is not a Rejected Employee Agreement will not entitle any Person to any benefit or alleged entitlement under any policy, program, or plan that has expired or been terminated before the Implementation Date, or restore, reinstate, or revive any such benefit or alleged entitlement under any such policy, program, or plan. Nothing in the Plan shall limit, diminish, or otherwise alter QWI’s defenses, claims, causes or action, or other rights with respect to any such contracts, agreements, policies, programs, and plans. QWI may, without any need for further approval of the Court, establish Employee Plans that provide persons who participated in any Employee Plans that have been repudiated by QWI (the “**Rejected Employee Agreements**”) with benefits of equal or lesser value than the benefits that would have been provided under the Rejected Employee Agreements subject to such persons irrevocably waving and forfeiting any and all claims such persons have or may have in respect of the Rejected Employee Agreements.

Reorganization

In connection with the implementation of the Plan, Articles of Reorganization of QWI will be filed under Section 191 of the CBCA. The director under the CBCA will then issue the Certificate of Amendment giving effect to the Articles of Reorganization.

The Articles of Reorganization will change the share capital of QWI. The Articles of Reorganization provide that, among other things:

- (i) QWI’s name will be changed to a name that is intended to be publicly announced by QWI before the Creditors’ Meeting and in any event no later than the date of the Sanction Order;
- (ii) the Redeemable Shares will be created;
- (iii) each of the Existing QWI Shares will be changed into 0.000001 of a Redeemable Share;
- (iv) each of the Redeemable Shares will be redeemed in accordance with the rights, privileges, restrictions and conditions attaching thereto. No amounts are expected to be payable by QWI to the holders of Redeemable Shares in connection with the redemption of the Redeemable Shares;
- (v) the authorized share capital of QWI consisting of the Existing QWI Shares and the Redeemable Shares will be cancelled and deleted, along with the rights, privileges, restrictions and conditions attached to such shares and all rights to accrued dividends in respect of all such classes and series of shares;
- (vi) the QWI Shares and the rights, privileges, restrictions and conditions attaching thereto, as further described in “*Securities Issuable under the Plan*” and Schedule “B” to the Plan, will be created; and
- (vii) certain additions to the stated capital accounts of the QWI Shares will be made.

On the Implementation Date, in connection with the filing of the Articles of Reorganization, QWI shall change its name to delete reference to the word “Quebecor,” or any deceptively similar names. No later than the date of the hearing for the Sanction Order, QWI shall file with the Court the new name to be adopted by QWI. Thereafter, commencing on the Implementation Date, QWI shall transition and phase out and cease to use its prior corporate name and any names, trademarks, trade names or logos bearing the name “Quebecor” or any similar names or variations or derivations thereof or any names, trademarks, trade names or logos that are deceptively similar thereto; provided, however, that such restrictions shall not be applicable for a 90-day period of transition commencing on the date of the hearing for the Sanction Order to allow for the sale of inventory existing at or around such date and to use any labelling, letterhead, packaging, shipping, billing and other processes that use the name “Quebecor” and any names, trademarks, trade names or logos bearing the name “Quebecor”; and provided further, that QWI shall have until the first (1st) anniversary of the Implementation Date to replace all signage on each of its buildings and facilities that use the “Quebecor” name, which replacement shall be done first with respect to all buildings and facilities in Canada and thereafter in the United States and Latin America.

Registration Rights Agreement

As of the Implementation Date, QWI and the Reorganized Debtors (as such term is defined in the U.S. Plan) shall enter into a Registration Rights Agreement with each Holder of a Claim that would be an “underwriter” of QWI pursuant to applicable U.S. securities Laws.

Disputed Claims

No Distributions Pending Allowance

The Plan provides that no distributions shall be made with respect to a Disputed Claim unless and until it has become a Proven Claim. Prior to the Implementation Date, Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Claims Protocol. Following the Implementation Date, the resolution of Disputed Claims shall continue to be dealt with in accordance with the Claims Procedure Order except that following the Implementation Date, and notwithstanding anything else set forth in the Plan, in the U.S. Plan, or in the Confirmation Order (as such term is defined in the U.S. Plan) there shall be formed a joint claims oversight committee (the “**Joint Claims Oversight Committee**”) which shall monitor the Disputed Claims administration, provide guidance to QWI and the Monitor, and address the Court if the Joint Claims Oversight Committee disagrees with QWI's or the Monitor's proposed settlement of any Disputed Claim for an amount greater than U.S. \$1,000,000, and if such Committee determines necessary, object to Disputed Claims. The Joint Claims Oversight Committee shall be created in accordance with, and governed by, the provisions relating thereto set forth in the U.S. Plan.

QWI Reserve

As of the Initial Distribution Date, the Disbursing Agent shall establish the QWI Reserve by holding on account of Disputed Claims, a number of QWI Common Shares, QWI Class A Preferred Shares, Cash, Warrant Bundles and Litigation Trust Interests equal to the amount of QWI Common Shares, QWI Class A Preferred Shares, Cash, Warrant Bundles and Litigation Trust Interests, as applicable, that the Holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims in their entire amount on such date.

Distributions From QWI Reserve Once Disputed Claims Resolved

The Disbursing Agent shall make allocations from the QWI Reserve to the Holders of Proven Claims following the Initial Distribution Date in accordance with the Plan. To the extent that Disputed Claims become Proven Claims in accordance with the Plan, the Disbursing Agent shall distribute on the applicable Interim Distribution Date, to the extent practicable, or the Final Distribution Date, to the

Holders of such Proven Claims, from the QWI Reserve, the QWI Common Shares, the QWI Class A Preferred Shares, Cash and the Warrant Bundles, as applicable, which they would have been entitled to receive in respect of those particular Proven Claims that would have been distributed on the Initial Distribution Date had such Claims been Proven Claims on the Initial Distribution Record Date and shall instruct the Litigation Trustee to distribute to such Holders the amount of Litigation Trust Interests to which they are entitled in respect of their Proven Claims. To the extent that any Disputed Claim or a portion thereof has become a Disallowed Claim, then the Disbursing Agent shall, following any Interim Distribution Record Date, distribute on the applicable Interim Distribution Date, to the extent practicable, or on the Final Distribution Date, to the Holders of Affected Unsecured Claims that have previously been adjudicated under the Plan to be Proven Claims, their Pro Rata share from the QWI Reserve, of additional QWI Common Shares and Warrant Bundles, as applicable, that was kept in the QWI Reserve on account of such Disallowed Claims, and shall instruct the Litigation Trustee to distribute to such Holders the amount of additional Litigation Trust Interests to which they are entitled. The Disbursing Agent shall make its last distribution, and shall instruct the Litigation Trustee to make its final distribution, on the Final Distribution Date on which, Holders of Disputed Claims, if and when such claims are accepted, will receive that number of QWI Common Shares, QWI Class A Preferred Shares, Cash, Warrant Bundles and Litigation Trust Interests, equal to the number of QWI Class A Preferred Shares, QWI Common Shares, Cash, Warrant Bundles and Litigation Trust Interests, they would have received under the Plan in exchange for the release and compromise of their Proven Claims pursuant to the terms of the Plan, had their claims been Proven Claims on the Initial Distribution Record Date.

Holders of Existing QWI Shares and Other Equity Securities

Each Existing QWI Share will be converted into 0.000001 of a Redeemable Share and automatically redeemed for \$0.01 and all Other Equity Securities shall be cancelled without compensation or consideration.

Disbursing Agent Shall Not Distribute Fractional Shares or Fractional Warrants

The Disbursing Agent shall not be obligated to distribute any fractional QWI Shares or fractional Warrant Bundles. When a distribution would otherwise result in the issuance of fractional QWI Shares or fractional Warrant Bundles following the Initial Distribution Record Date or any Interim Distribution Record Date, on the applicable distribution date the Affected Creditor who would otherwise be entitled to receive such fractional QWI Shares or Warrant Bundles shall be credited with such fractional QWI Shares or Warrant Bundles and then only on the Final Distribution Date, as applicable, shall the number of QWI Shares or Warrant Bundles to be so distributed be rounded to the nearest whole number and no compensation shall be paid for fractional QWI Shares or Warrant Bundles.

Implementation of the Plan

The Plan contemplates a series of transactions leading to the overall corporate and capital reorganization of QWI. On the Implementation Date, each of the following transactions shall be consummated and effected:

- (i) QWI Reorganization. The Articles of Reorganization previously filed with, and certified by, the CBCA Director shall become effective pursuant to which, among other things: (i) QWI's name will be changed to a name that is intended to be publicly announced by QWI before the Creditors' Meeting and in any event no later than the date of the Sanction Order; (ii) the Redeemable Shares will be created; (iii) each of the Existing QWI Shares will be changed into 0.000001 of a Redeemable Share; (iv) the Redeemable Shares will be redeemed in accordance with the rights, privileges, restrictions and conditions attaching thereto; (v) the authorized share capital of QWI

consisting of the Existing QWI Shares and the Redeemable Shares will be cancelled and deleted, along with the rights, privileges, restrictions and conditions attached to such shares and all rights to accrued dividends in respect of all such classes and series of shares; and (vi) the QWI Shares and the rights, privileges, restrictions and conditions attaching thereto will be created.

- (ii) Cancellation of Other Equity Securities. All Other Equity Securities shall be cancelled for no consideration, and any agreement, contract, plan, indenture, deed, certificate or other document or instrument having created or governing such Other Equity Securities shall be terminated.
- (iii) Compromise of Debt. The Affected Claims shall be settled, compromised, released or otherwise dealt with in accordance with the Plan (subject only to Implementation of the U.S. Plan), including for greater certainty the Restructuring Transactions, in exchange for the consideration provided for in Section 2.5 thereof.
- (iv) Restructuring Transactions. Each of the steps and transactions comprising the Restructuring Transactions necessary to be completed on or before the Implementation Date shall be effected in the sequence set out in the Restructuring Transactions Notice.
- (v) The QWI Shares to be issued to Affected Creditors will be issued in accordance with the Plan, including for greater certainty the Restructuring Transactions, and, in connection therewith, an amount per share as determined by the Board, shall be added to the stated capital account maintained in respect of the QWI Common Shares and an amount per share as determined by the Board, shall be added to the stated capital account maintained in respect of the QWI Class A Preferred Shares;
- (vi) Litigation Trust. The Litigation Trust will be settled pursuant to, and in accordance with the Plan, the U.S. Plan and the Litigation Trust Agreement, and the Litigation Trust Interests will be transferred to Affected Creditors in accordance with the U.S. Plan and the Plan.
- (vii) Issuance of Warrant Bundles. The Warrant Indenture will be effective and the Warrant Bundles to be issued in connection with the Plan will be issued in accordance with the Plan.
- (viii) Reserve for Disputed Claims. The QWI Reserve will be established.
- (ix) Reserve for CCAA Charges. A cash reserve will be established, and held by the Monitor, to pay amounts secured by the CCAA Charges. Any amount in the cash reserve in excess of the amount necessary to repay the amounts secured by the CCAA Charges shall be released to QWI no later than one hundred and twenty (120) days following the Implementation Date.
- (x) CCAA Charges Cancelled. The CCAA Charges will be cancelled.
- (xi) Resignation of Existing Board. The members of the Board who will not remain on the Board pursuant to, and in connection with, the Plan shall resign and QWI shall accept such resignations, and the new Board, as determined pursuant to Section 5.9 of the Plan, will be constituted.

- (xii) Exit Loan Facility. In accordance with and subject to, the conditions of the Exit Loan Facility, the closing of the Exit Loan Facility shall occur.
- (xiii) Expiry of the Stay Period. The Stay Termination Date shall occur.

On, in connection with, or following the Implementation Date, QWI shall take actions as may be necessary or appropriate to effect the relevant Restructuring Transactions as set forth in the Restructuring Transactions Notice, including, but not limited to, all of the transactions described in the Plan and the U.S. Plan. Such actions may include without limitation: (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, or reorganization containing terms that are consistent with the terms of the Plan and the U.S. Plan and that satisfy the requirements of applicable Law; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, guarantee, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan or the U.S. Plan; (c) the filing of appropriate certificates of incorporation, merger, or consolidation with the appropriate Governmental Entities under applicable Law; and (d) all other actions that QWI determines are necessary or appropriate, including the making of filings or recordings in connection with the relevant Restructuring Transactions. The form of each Restructuring Transaction shall be determined by the boards of directors of QWI and the U.S. Debtors and their successors party to any Restructuring Transaction. Provided, however, that QWI reserves the right to undertake transactions in lieu of or in addition to such Restructuring Transactions as QWI may deem necessary or appropriate under the circumstances so long as such other transactions do not affect the distributions under the Plan or the U.S. Plan. For greater certainty, implementation of any of the Restructuring Transactions shall not affect the distributions under the Plan.

Distributions under the Plan

Litigation Trust

The Litigation Trust shall be established for pursuit of the Contributed Claims and shall become effective on the Implementation Date as summarized below and in accordance with the terms and conditions set forth in more detail in the Litigation Trust Agreement and the U.S. Plan.

The transfer of the Contributed Claims to the Litigation Trust shall be made for the benefit of the Litigation Trust Beneficiaries as set forth in the Plan and in the U.S. Plan. On the Implementation Date, the Contributed Claims shall be transferred to the Litigation Trust in exchange for Litigation Trust Interests for the benefit of the Litigation Trust Beneficiaries. Upon transfer of the Contributed Claims to the Litigation Trust, QWI and the U.S. Debtors shall have no interest in or with respect to the Contributed Claims or the Litigation Trust Interests.

All Contributed Claims Recoveries will be distributed among the Litigation Trust Beneficiaries as provided for under the Plan, the U.S. Plan and otherwise as set forth in the Litigation Trust Agreement. To the extent deemed “securities,” the issuance of the Litigation Trust Interests to the Litigation Trust Beneficiaries shall be in compliance with the applicable registration requirements or exempt from registration, or qualification for public distribution under applicable securities laws.

The Litigation Trust shall be managed and operated by the Litigation Trustee. A governing board (the “**Governing Board**”) composed of ten (10) members shall have certain approval rights on key issues relating to the operation and management of the Litigation Trust as set forth in the Litigation Trust Agreement. The Governing Board shall be comprised of three (3) members selected by the Administrative Agent, six (6) members selected by the Ad Hoc Group of Noteholders and one (1) member selected by the Creditors' Committee.

Funding for purposes of pursuing the Contributed Claims will be provided to the Litigation Trust by way of secured loans from QWI in an aggregate amount not to exceed U.S.\$5 million (collectively with interest thereon, the “**Funding Loan**”). The Funding Loan shall be repaid in full from the Litigation Trust, from the proceeds of any litigation recoveries, before any funds are distributed to the Litigation Trust Beneficiaries. No further amounts shall be paid or payable by QWI or any of the U.S. Debtors to the Litigation Trust for any purpose whatsoever and the source of funds and repayment thereof for any additional contributions required by the Litigation Trust shall be determined by the Litigation Trustee in consultation with the Governing Board. The Funding Loan shall be non-recourse, and any failure or inability of the Litigation Trust to obtain funding will not affect the consummation of the Plan. QWI shall have a first priority perfected security interest in all of the Litigation Trust’s assets and property to secure repayment of the Funding Loan.

After repayment in full of the Funding Loan in accordance with the provisions of the Litigation Trust Agreement relating thereto, any Contributed Claims Recoveries, net of any applicable withholding tax will be distributed to the Litigation Trust Beneficiaries as set forth in the Plan and the U.S. Plan.

The Litigation Trust shall have an initial term of [●] ([●]) years, provided that if reasonably necessary to realize maximum value with respect to the assets in the Litigation Trust and following U.S. Court approval, the term of the Litigation Trust may be extended for one or more one (1) year terms. The Litigation Trust may be terminated earlier than its scheduled termination if (i) the U.S. Court has entered a final order closing all of or the last of the Chapter 11 Cases pursuant to section 350(a) of the Bankruptcy Code; and (ii) the Litigation Trustee has administered all assets of the Litigation Trust and performed all other duties required by the U.S. Plan and the Litigation Trust Agreement.

Distributions for Claims Allowed as at the Initial Distribution Date

Except as otherwise provided in the Plan or as ordered by the Court, distributions to be made on account of Affected Claims that are Proven Claims as at the Initial Distribution Record Date shall be made on the Initial Distribution Date. Thereafter, distributions on account of Affected Claims that are determined to be Proven Claims after the Initial Distribution Record Date shall be made on the Interim Distribution Record Date and in accordance with Articles 4 and 6 of the Plan.

Delivery of Distributions

The Disbursing Agent shall make all distributions to Holders of Proven Claims required under the Plan, subject to the provisions of Articles 4 and 6 thereof (i) subject to subparagraph (iv) hereof, at the addresses set forth on the proofs of claim filed by such Holders (or at the last known addresses of such Holders if no proof of claim is filed or if QWI or the Monitor has been notified in writing of a change of address), (ii) at the addresses set forth in any written notice of address change delivered to the Disbursing Agent after the date of any related proof of claim, (iii) in the case of a Holder of an Affected Claim whose Affected Claim is governed by an agreement and administered by a Servicer, at the addresses contained in the official records of such Servicer, (iv) in the case of the Holders of the Affected Syndicate Claims, to the addresses, and in the manner, provided to the Monitor by the Administrative Agent.

If any distribution to a Holder of a Proven Claim is returned as undeliverable, no further distributions to such Holder of such Claim shall be made unless and until the Disbursing Agent or the appropriate Servicer is notified of the then-current address of such Holder, at which time all missed distributions shall be made to such Holder without interest. Undeliverable distributions shall be returned to QWI, or the Litigation Trustee, as applicable, until such distributions are claimed. QWI shall make reasonable efforts to locate Holders of Proven Claims for which distributions were undeliverable. All claims for undeliverable distributions must be made on or before the later to occur of (i) the first anniversary of the Implementation Date or (ii) six (6) months after such Holder’s Claim becomes a

Proven Claim, after which date all unclaimed property shall revert to QWI free of any restrictions or claims thereon and the claim of any Holder or successor to such Holder with respect to such property shall be discharged and forever barred, notwithstanding any federal or provincial laws to the contrary.

Secondary Liability Claims

Notwithstanding anything else contained in the Plan, Holders of Secondary Liability Claim against QWI will be entitled to only one distribution in respect of the primary and secondary liabilities related to the underlying claim to which such Secondary Liability Claim relates and will be deemed satisfied in full by the distributions on account of the related claim pursuant to the provisions of the Plan and the U.S. Plan. Notwithstanding the existence of a Secondary Liability Claim, no multiple recovery on account of any claim against QWI or any of the U.S. Debtors will be provided or permitted. Any Intercompany Claim that constitutes a Secondary Liability Claim for indemnification, contribution or subrogation that any Petitioner may have in respect of any obligation that is the basis of a Claim shall be deemed to be without any value and shall be released and cancelled.

Special Provisions Regarding Insured Claims

Distributions under the Plan to each Holder of an Allowed Insured Claim will be in accordance with the treatment provided under the Plan for the Class in which such Allowed Insured Claim is classified, but solely to the extent that such Allowed Insured Claim is not satisfied from proceeds payable to the Holder thereof under any pertinent insurance policies of QWI and applicable Law; provided, however, that no distributions under the Plan shall be made on account of an Allowed Insured Claim that is payable pursuant to an Insurance Contract until the Holder of such Allowed Insured Claim has exhausted all remedies with respect to such Insurance Contract; and provided further, that distributions to Holders of Allowed Insured Claims by any Insurer shall be in accordance with the provisions of the applicable Insurance Contract. To the extent that one or more of the Insurers agrees to satisfy an Allowed Insured Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such Insurers' agreement, such Allowed Insured Claim will be expunged to the extent of any agreed upon amount. The Plan shall not expand the scope of, or alter in any other way, the rights and obligations of the Insurers under the Insurance Contracts and nothing contained in the Plan shall constitute or be deemed a waiver of any claims, obligations, suits, judgments, damages, demands, debts, rights, or causes of action or liabilities that any entity may hold against any other entity.

Treatment of Executory Contracts and Unexpired Leases

Except: (i) as otherwise provided in the Plan; (ii) to the extent an executory contract or unexpired lease to which QWI is a party was rejected under the Chapter 11 Cases; or (iii) in respect of a Secondary Liability Claims relating to an executory contract or unexpired lease that was rejected under the Chapter 11 Cases, as of the Completion Time, QWI shall be deemed to have ratified each executory contract and unexpired lease to which it is a party (other than in respect of Claims arising from such contract or lease which, for greater certainty, will be Affected Claims which are compromised pursuant to the Plan), unless such contract or lease: (a) was previously repudiated or terminated by QWI; (b) previously expired or terminated pursuant to its own terms; or (c) was amended as evidenced by a written agreement with QWI, and in such case the amended contract or lease shall be deemed ratified.

Required Approvals

The conditions to implementation of the Plan include a number of approvals, orders and consents that must be obtained. Some of the material approvals are described below. If any of these approvals is not obtained, subject to the right of QWI to waive any condition, the Plan will not be implemented.

Affected Creditor Approval

The Resolution must be approved at each Creditors' Meeting by a majority in number of the Affected Creditors of the applicable class present and voting in person or by proxy at the Creditors' Meeting with Voting Claims representing not less than 66 2/3% in value of the Voting Claims of the Affected Creditors voting at the Creditors' Meeting. See Section II.A "*Creditors' Meeting and Voting Instructions — Procedure for Creditors' Meeting*".

Shareholder approval is not required for a reorganization under Section 191 of the CBCA. Section 191 also provides that a shareholder is not entitled to dissent rights in respect of reorganization thereunder.

Regulatory Approvals

Application will be made to list on the TSX the QWI Common Shares, QWI Class A Convertible Preferred Shares and the QWI Warrants issuable under the Plan as well as the QWI Common Shares issuable upon the due exercise of the QWI Class A Convertible Preferred Shares and the QWI Warrants. There can be no assurance that these listings will be obtained or, if obtained, that they will all continue or that a trading market will develop or be sustained for all the types of new securities issuable under the Plan. Each listing is conditional on the fulfillment by QWI of the listing requirements of the TSX, including the distribution of each type of the new securities to a minimum number of holders.

Court Approval

The Plan has been filed with the Court pursuant to the CCAA. The CCAA requires that the Plan be sanctioned by the Court following approval by the Affected Creditors. The Sanction Hearing in respect of the Sanction Order, at which the Court's sanction of the Plan under CCAA will be sought, is scheduled to take place at 10:00 a.m. on **[June 30, 2009]**, subject to the approval of the Affected Creditors being obtained. Interested persons should consult their legal advisors with respect to the legal rights available to them in relation to the Plan and the Sanction Hearing. In the event that the Sanction Hearing is adjourned, postponed or otherwise rescheduled, only those Persons listed on QWI's service list published on the Monitor's website at www.ey.com/ca/quebecorworld are required to be served with notice of the adjourned, postponed or rescheduled date.

The authority and discretion of the Court is very broad under the CCAA. Counsel for QWI has advised that they will ask the Court to consider, among other things, the fairness of the terms and conditions of the Plan. The Court may approve the Plan as proposed or as amended and subject to such terms and conditions, if any, as the Court thinks fit. If the Sanction Order is granted, any interested person may appeal the provisions of the Sanction Order, with leave of the Court or the Quebec Court of Appeal, within **[21]** days of the date on which the Sanction Order is granted.

Other Conditions

The implementation of the Plan by QWI is subject to the following conditions precedent which are in favour of QWI and, except for Section 8.5(a) of the Plan and as otherwise would be in violation of applicable Laws, may be waived in writing by QWI in its sole discretion, provided that such waiver is reasonably acceptable to the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent:

- (i) the approval of the Plan by the Required Majorities shall have been obtained;
- (ii) the Sanction Order sanctioning the Plan, in form and substance satisfactory to QWI, the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably

shall have been made and entered and the operation and effect of the Sanction Order shall not have been stayed, reversed or amended, and shall among other things:

- a. declare that: (i) the Plan has been approved by the Required Majorities of Affected Creditors of QWI in conformity with the CCAA; (ii) QWI has complied with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings in all respects; (iii) the Court is satisfied that QWI has neither done nor purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated hereby are fair and reasonable, and in the best interests of QWI, the Affected Creditors and the other stakeholders of QWI (having considered, among other things, the composition of the vote, what creditors would receive in liquidation or sale as compared to the Plan, alternatives to the Plan or liquidation or sale, whether any oppression exists or has occurred, the treatment of shareholders and the public interest);
- b. declare that, prior to the Court's sanctioning of the Plan and approving the transactions contemplated in the Plan, the Court conducted a hearing and made findings of fact and conclusions of law that the terms and conditions of the issuance of the QWI Common Shares, the QWI Class A Preferred Shares, the Warrant Bundles and the Litigation Trust Interests to the Affected Creditors in exchange for, and in full and final satisfaction of, the Affected Claims held by the Affected Creditors were approved and determined to be substantively and procedurally "fair" to the Affected Creditors and all other Persons (the "**Fairness Hearing**") and, in connection therewith, as part of the Fairness Hearing the Court made the following additional findings of fact and/or conclusions of law: (i) that prior to the Fairness Hearing, QWI advised the Court that it would be relying on the Section 3(a)(10) exemption under the U.S. Securities Act, and the exemption under Section 1145 of the Bankruptcy Code in order to issue, without registration with the United States Securities and Exchange Commission, the QWI Common Shares, the QWI Class A Preferred Shares, the Warrant Bundles and the Litigation Trust Interests to the Affected Creditors (or to such other Persons as set out in the Restructuring Transactions Notice); (ii) that the Court was, and is, authorized under the CCAA to conduct the Fairness Hearing and to approve the fairness of the terms and conditions of such issuance and exchange; and (iii) that the Fairness Hearing was open to all of the Affected Creditors and all other Persons and, prior to the Fairness Hearing, all of the Affected Creditors and all other Persons were given adequate notice thereof and that there were no impediments to the Affected Creditors and all other Persons appearing and being heard at said hearing;
- c. order that the Plan (including the compromises, arrangements, reorganizations, corporate transactions and releases set out in the Plan and the transactions, Restructuring Transactions and reorganization contemplated hereby) is sanctioned and approved pursuant to Section 6 of the CCAA and, as at the Completion Time, will be effective and will enure to the benefit of and be binding upon QWI, the Affected Creditors and all other Persons stipulated in the Plan or in the Sanction Order, if any;
- d. declare that the articles of QWI will be amended as set out in the Articles of Reorganization and effective as of the Implementation Date;
- e. declare that all Other Equity Securities are of no further force or effect as of the Implementation Date and that all such Other Equity Securities are cancelled and any agreement, contract, plan, indenture, deed, certificate or other document or instrument having created or governing such Other Equity Securities shall be terminated as at such time;

- f. declare that the Restructuring Transactions shall be effected, subject to Section 5.2 of the Plan, in accordance with the Restructuring Transactions Notice;
- g. declare that the QWI Common Shares, QWI Class A Preferred Shares and Warrant Bundles issued in connection with the Plan, the Articles of Reorganization, or the Warrant Indenture, will be validly issued and outstanding, and in the case of the QWI Common Shares, and the QWI Class A Preferred Shares, will be issued as fully paid and non-assessable;
- h. appoint the new Board as determined pursuant to Section 5.9 of the Plan, effective upon the Implementation Date;
- i. declare that all Proven Claims determined in accordance with the Claims Procedure Order, the Claims Protocol and the Creditors' Meeting Order are final and binding on QWI and all Affected Creditors;
- j. declare that, effective as at the Completion Time, the Application for Bankruptcy Order, and the endorsement related thereto dated January 25, 2008 associated therewith, will be of no further force or effect and that Royal Bank of Canada is released and discharged from the Paulian Action;
- k. declare that, subject to the performance by QWI of its obligations under the Plan, all contracts, leases, agreements and other arrangements to which QWI is a party and that have not been terminated or repudiated pursuant to the Initial Order will be and remain in full force and effect, unamended, as at the Completion Time, and no Person who is a party to any such contract, lease, agreement or other arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of dilution or other remedy) or make any demand under or in respect of any such contract, lease, agreement or other arrangement and no automatic termination will have any validity or effect, by reason of:
 - i. any event that occurred on or prior to the Implementation Date and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults, events of default or termination events arising as a result of the insolvency of QWI);
 - ii. the insolvency of QWI or the fact that QWI or any Subsidiary sought or obtained relief under the CCAA, the CBCA or the Bankruptcy Code;
 - iii. any compromises or arrangements effected pursuant to the Plan or any action taken or transaction effected pursuant to the Plan; or
 - iv. any change in the control of QWI arising from the implementation of the Plan;
- l. declare that the stay of proceedings under the Initial Order continues until the Implementation Date;
- m. declare that no meetings or votes of holders of Existing QWI Shares or Other Equity Securities are required in connection with the Plan or the adoption or filing of the Articles of Reorganization;

- n. approve all conduct of the Chief Restructuring Officer and the Monitor in relation to QWI and the U.S. Debtors and bar all claims against them arising from or relating to the services provided to QWI and the U.S. Debtors prior to the date of the Sanction Order, save and except any liability or obligation arising from their gross negligence or wilful misconduct;
 - o. confirm the releases contemplated in the Plan;
 - p. enjoin the commencement or prosecution, whether directly, derivatively or otherwise, or any demands, claims, actions, causes of action, counterclaims, suits, or any indebtedness, liability, obligation or cause of action released and discharged pursuant to the Plan; and
 - q. order that all CCAA Charges will be released and discharged as of the Completion Time or earlier upon receipt of an acknowledgement of payment in respect of the claims secured thereby or adequate alternate arrangements satisfactory to the parties in whose favour such charges operate;
- (iii) any other order deemed necessary or desirable by QWI from the U.S. Court, including an order approving the Plan in the Chapter 15 Proceeding, or any other jurisdiction shall have been obtained;
 - (iv) all applicable appeal periods in respect of the Sanction Order and any other order made by the U.S. Court pursuant to Section 8.5(c) of the Plan shall have expired and any appeals therefrom shall have been finally disposed of by the applicable appellate tribunal;
 - (v) the Exit Loan Facility and all related agreements and other documents shall have become effective, subject only to the occurrence of the Implementation Date;
 - (vi) the Warrant Indenture and the issuance of the QWI Warrants and all related agreements and other documents shall have become effective, subject only to the occurrence of the Implementation Date;
 - (vii) the Litigation Trust Agreement and all related agreements and other documents shall have become effective, subject only to the occurrence of the Implementation Date;
 - (viii) all relevant Persons shall have executed, delivered and filed all documents and other instruments that, in the opinion of QWI, acting reasonably, are necessary to implement the provisions of the Plan and/or the Sanction Order;
 - (ix) all conditions precedent to the implementation of the Plan in favour of Persons other than QWI will have been satisfied or waived by such Persons;
 - (x) all applicable approvals, certificates, rulings, permits, consents, notices and orders of, and all applicable submissions and filings with any or all Governmental Entities and stock exchanges having jurisdiction for the completion of the transactions contemplated by the Plan (including the transactions contemplated in this Section "*Other Conditions*" as conditions to the implementation of the Plan) shall have been obtained or made, as the case may be, by QWI, in each case to the extent deemed necessary or advisable by QWI in form and substance satisfactory to QWI, including the approvals of, and any exempting orders from, TSX and the relevant securities regulatory authorities;
 - (xi) the QWI Common Shares (including the QWI Common Shares issuable upon exercise of QWI Warrants or conversion of QWI Class A Preferred Shares), the QWI Class A Preferred Shares and the QWI Warrants will have been listed or approved for listing, when issued, on TSX, provided,

however, that each of the foregoing classes or series of securities shall comply with the TSX's listing requirements; and

- (xii) all conditions precedent to the implementation of the U.S. Plan but for the implementation of the Plan shall have been satisfied or waived.

Securities Issuable under Plan

The definitive terms of the New Equity Securities will be made available on the website of the Monitor, at www.ey.com/ca/quebecorworld, no later than June 8, 2009. The Corporation will announce by way of press release the posting of such documents on the website maintained by the Monitor concurrently with such posting.

QWI Common Shares

Under the Articles of Reorganization, the authorized capital of the Corporation is expected to include an unlimited number of QWI Common Shares having attached thereto the rights, privileges, conditions and restrictions described in the Articles of Reorganization.

QWI Class A Preferred Shares

Under the Articles of Reorganization, the authorized capital of the Corporation is expected to include an unlimited number of QWI Class A Preferred Shares expected to have attached thereto the rights, privileges, conditions and restrictions described in the Articles of Reorganization.

QWI Warrants

In accordance with the Plan, the Corporation will issue Series I Warrants and Series II Warrants pursuant to the terms of the Warrant Indenture. A summary of the principal terms of the Series I Warrants and Series II Warrants is attached as Schedule "C" to the Plan.

Canadian Securities Law Considerations

Canadian securities laws provide for a specific statutory exemption from the dealer registration and prospectus requirements when securities are issued or distributed in connection with either (i) a reorganization or arrangement that is under a statutory procedure or (ii) a reorganization or arrangement that is (A) described in an information circular made pursuant to applicable regulations or in a similar disclosure record and the information circular or similar disclosure record is delivered to each security holder whose approval of the reorganization or arrangement is required before it can proceed and (B) is approved by the security holders referred to in (A). QWI believes that the issuance and distribution of the New Equity Securities under the Plan to any Canadian-resident falls within one of the statutory exemptions under Canadian securities laws described in this paragraph and is thus exempt from the dealer registration and prospectus requirements.

The issuance of QWI Common Shares upon the conversion of the QWI Class A Preferred Shares or the exercise of the QWI Warrants in accordance with their respective terms also benefits from statutory exemptions from the dealer registration and prospectus requirements under applicable Canadian securities laws.

Under Canadian securities laws, once issued, the New Equity Securities (including any QWI Common Shares issued upon the conversion of QWI Class A Preferred Shares or the exercise of QWI Warrants in accordance with their respective terms) will, except for "control distributions" described below, be generally freely tradeable in Canada without the need for the holder of such New Equity

Securities to prepare and file a prospectus or rely on an exemption from the prospectus requirements, provided (i) the issuer is and has been a reporting issuer in a jurisdiction of Canada for the 4 months immediately preceding the trade, (ii) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade, (iii) no extraordinary commission or consideration is paid to a person or company in respect of the trade and (iv) if the selling security holder is an insider or officer of the issuer, the selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation. QWI is currently a reporting issuer in each of the provinces of Canada and it is currently anticipated that, at the Effective Date, it will remain a reporting issuer and will have been a reporting issuer for the four months preceding the Effective Date in each of the provinces of Canada.

If, however, the resale or trade of the New Equity Securities constitutes a “control distribution”, then any resale or trade of the New Equity Securities would require either (i) the preparation and filing of a prospectus in the relevant Canadian jurisdiction(s) in order to qualify such resale or trade for public distribution in Canada and render the subject New Equity Securities freely tradeable in such Canadian jurisdiction(s), (ii) in the absence of a Canadian prospectus, the reliance on a separate statutory or discretionary exemption from the applicable prospectus requirements for the resale or trade of the New Equity Securities or (iii) the giving of notice and filing of a prescribed form with the CSA at least seven days before the first resale or trade that is part of the control distribution indicating the selling security holder’s intention to distribute securities and particulars of the proposed trade, including the number and class of securities proposed to be sold and whether the sale will occur privately or on an exchange or market.

In general terms, a “control distribution” is a distribution effected by a “control person”, being (i) a person or company who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, and, if a person or company holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or company is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer or (ii) each person or company in a combination of persons or companies, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, and, if a combination of persons or companies holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the combination of persons or companies is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer.

Given the complex and subjective nature of the question of whether a particular holder may be a “control person” under Canadian securities laws, QWI makes no representation concerning the right of any Person to trade in the New Equity Securities in Canada. QWI recommends that potential recipients of the New Equity Securities consult their own counsel concerning whether they may freely trade the New Equity Securities in Canada in compliance with applicable Canadian securities laws.

United States Securities Law Considerations

Federal

The New Equity Securities to be issued under the Plan will be issued in reliance upon Section 3(a)(10) of the U.S. Securities Act which, among other things, exempts from the registration requirements thereof securities issued in exchange for one or more outstanding securities, claims or property interests where the terms and conditions of the issuance and exchange have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom such securities will be issued have the right to appear. The Court is required

by CCAA to conduct a hearing to determine the fairness of the terms and conditions of the Plan, including the proposed issuance of securities thereunder. The Court has granted the Creditors' Meeting Order, as set out in Exhibit C to this Circular, and subject to the approval of the Plan by the Affected Creditors, the Court will hold a hearing on the fairness of the Plan on or about June 30, 2009 prior to entering the Sanction Order.

Assuming the exemption provided by Section 3(a)(10) of the U.S. Securities Act is applicable, the New Equity Securities received under the Plan will be freely transferable under United States federal securities laws, except that the New Equity Securities received by Persons who are deemed to be "affiliates" (as such term is defined under the U.S. Securities Act) of QWI within 90 days before, or after the Plan Implementation Date may be resold by them only in transactions permitted by the resale provisions of Rule 144 promulgated under the U.S. Securities Act or as otherwise permitted under the U.S. Securities Act. Sales under Rule 144 require compliance, during prescribed periods following the acquisition of securities as a result of the implementation of the Plan, with certain volume limitations and current public information and manner of sale requirements. Persons whom may be deemed to be "affiliates" of an issuer generally include individuals or entities that directly, or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, such issuer and may include officers and directors of such issuer as well as principal shareholders of such issuer.

It should be noted, however, that the QWI Warrants to be issued under the Plan will provide that they may not be exercised in the United States or by or on behalf of a U.S. Person (as defined in Regulation S under the U.S. Securities Act) unless the securities to be issued upon exercise have been registered under the U.S. Securities Act or an exemption from registration is available. QWI has no present plans to effect any such registration. Affected Creditors should consult their own advisors with regard to the impact of this restriction in the QWI Warrants.

State

The issuance and delivery of the New Equity Securities will not be registered under the securities laws of any state of the United States. Such securities will be issued in reliance upon applicable exemptions under state securities laws. Affected Creditors are advised that the resale of the New Equity Securities may be subject to certain registration requirements or other restrictions imposed by various states' blue sky laws. QWI does not provide any advice with respect to the applicability of, or compliance with, any such blue sky laws and urges all Affected Creditors to consult their own advisors concerning whether they may freely trade the New Equity Securities in compliance with the blue sky laws of the state in which they reside.

Waiver of defaults

From and after the Completion Time, all Persons shall be deemed to have waived any and all defaults of QWI (except for defaults under the securities, contracts, instruments, releases and other documents delivered under the Plan or entered into in connection therewith or pursuant thereto) then existing or previously committed by QWI or caused by QWI, directly or indirectly, or non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and QWI arising from the filing by the Petitioners under the CCAA or the transactions contemplated by the Plan, and any and all notices of default and demands for payment under any instrument, including any guarantee arising from such default, shall be deemed to have been rescinded.

Releases to be Given

As at the Completion Time and subject to the provisions of Subsection 5.1(2) of the CCAA, QWI will be deemed forever to release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (other than the rights of QWI to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered thereunder or pursuant thereto) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing in any way relating to QWI, the subject matter of, or the transactions or events giving rise to, any Claims or interests that are treated in the Plan or in the U.S. Plan that could be asserted by or on behalf of QWI against: (i) present or former directors, officers and employees of QWI in each case, in their respective capacities as of the Determination Date; (ii) the agents, legal counsel, financial advisor and other professionals of QWI and the Subsidiaries; (iii) the Monitor, its counsel and its current officers and directors as well as the legal counsel to the directors of QWI; (iv) the Syndicate Committee, all current and former members of the Syndicate Committee in their respective capacities as such, and the Administrative Agent and the Syndicate Agreement Collateral Agent in their respective capacities as such; (v) the Syndicate Released Parties; (vi) the Senior Notes Released Parties; (vii) the DIP Lenders solely in their capacities as such; (viii) the Creditors' Committee and all current and former members of the Creditors' Committee in their respective capacities as such; (ix) the Chief Restructuring Officer; and (x) where applicable, with respect to each of the above named parties, such party's advisors, principals, employees, officers, directors, representatives, financial advisors, counsel, accountants, investment bankers, consultants, agents and other representatives or professionals, provided, however, and notwithstanding anything else contained in the Plan or the U.S. Plan, that any Holder of Affected Soc. Gen Claims in its capacity as such shall not be deemed to be released in respect of any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities, including, without limitation, in respect of the Paulian Action.

As at the Completion Time, or in the case of Subsidiaries that are also subject to releases under the U.S. Plan, at the times contemplated for such releases under the U.S. Plan, QWI, the Subsidiaries, the Monitor and the Chief Restructuring Officer, as well as their respective present and former officers, directors, principals, employees, financial advisors, counsel, investment bankers, consultants, agents and accountants (collectively, the "**Released Parties**") will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including QWI and the U.S. Debtors, as applicable, and including any Person who may claim contributions or indemnification against or from them) may be entitled to assert (including any and all claims in respect of potential statutory liabilities of the Persons for which the Initial Order authorized the granting of a CCAA Charge, but other than the rights of Persons to enforce the Plan and the contracts,

instruments, releases, indentures and other agreements or documents delivered thereunder or pursuant thereto) whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Completion Time relating to, arising out of or in connection with the Claims, the business and affairs of the Petitioners, the CCAA Charges, the Plan, the U.S. Plan and the CCAA Proceedings, provided that nothing in Section 5.2 of the Plan will release or discharge any Petitioners from or in respect of any Excluded Claim, or QWI from or in respect of the Paulian Action.

Cancellation, Assignment, Transfer of Other Alienations of Senior Notes and Agreements

As at the Completion Time, except as otherwise specifically provided for in the Plan or in the U.S. Plan, or as contemplated to be effected as part of the Restructuring Transactions, (a) the Senior Notes and any other note, bond, debenture, indenture, or other instrument or document evidencing or creating any indebtedness or obligation of QWI, except such notes, bonds, debentures, indentures or other instruments evidencing indebtedness or obligations of QWI that are deemed to be ratified pursuant to Article 7 of the Plan shall be cancelled, assigned, transferred or otherwise alienated, as the case may be, in accordance with the Restructuring Transactions, provided, however, that (b) the obligations of, and Affected Claims against, QWI under, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the Senior Notes, and any other note, bond, debenture, indenture, or other instrument or document evidencing or creating any indebtedness or obligation of QWI, except such notes or other instruments evidencing indebtedness or obligations of the Plan, as the case may be, shall be released and discharged as between a Holder of an Affected Claim and QWI; provided further, that any agreement (including the Senior Notes Indentures) that governs the rights of a Holder of an Affected Claim and that is administered by a Servicer) shall continue in effect solely for purposes of (x) allowing such Servicer to make the distributions on account of such Affected Claims under the Plan and (y) permitting such Servicer to maintain any rights or liens it may have for fees, costs, expenses, indemnities or other amounts under such indenture or other agreement; provided further, that the immediately preceding proviso shall not affect the discharge of Affected Claims against QWI under the Plan or the U.S. Plan, or result in any expense or liability to QWI. QWI shall not have any obligations to any Servicer (or to any Disbursing Agent replacing such Servicer) for any fees, costs, or expenses incurred on and after the Completion Time except as expressly provided in Section 6.10 of the Plan; and provided further, that nothing in the Plan shall preclude any Servicer (or any Disbursing Agent replacing such Servicer) from being paid or reimbursed for fees, costs, and expenses from the distributions being made by such Servicer (or any Disbursing Agent replacing such Servicer) pursuant to such agreement in accordance with the provisions set forth therein, all without application to or approval by the Court.

Corporate Governance

The new Board of QWI at the Implementation Date shall be determined through a search process designed to obtain broad participation from independent, respected individuals having the experience, reputation, contacts and skills which are relevant to the success of QWI and the Petitioners' business. Industry expertise and contacts, as well as geographical diversity and knowledge of QWI's customer base, are to be considered in the process. The search committee shall include 4 representatives of the Syndicate Committee, 2 representatives of the Ad Hoc Group of Noteholders and 1 representative of the Creditors Committee. Details of the search process, including identification of ancillary governance issues to be addressed by the search committee, are to be established in consultation with QWI, and appropriate interim reports shall be made to QWI, the Syndicate Committee, the Creditors' Committee and the Ad Hoc Group of Noteholders.

Modifications to the Plan

QWI, in consultation with the Monitor, the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, reserves the right to file any modification of, or amendment or supplement to, the Plan by way of a supplementary plan or plans of reorganization, compromise or arrangement (or any one or more thereof) prior to the Creditors' Meeting Date or at or before the Creditors' Meeting, in which case any such supplementary plan or plans of reorganization, compromise or arrangement (or any one or more thereof) shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. QWI shall file any supplementary plans with the Court as soon as practicable. QWI shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. QWI may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Creditors present at such meeting in person or by proxy. After the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), QWI, in consultation with the Monitor, the Creditors' Committee, the Ad Hoc Group of Noteholders, and the Administrative Agent, may at any time and from time to time vary, amend, modify or supplement the Plan without the need for obtaining an order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order.

Failure to Implement the Plan

QWI is insolvent and unable to meet its debt and other obligations as they become due. If the Plan is not approved by the Required Majorities, subject to the terms of the current stay of proceedings under the CCAA, creditors of QWI would have the right to take steps to exercise their respective rights and remedies against the assets and property of QWI. Based on its review of the Liquidation Analysis attached as Exhibit E — "*Liquidation Analysis*" and on its belief that a liquidation of the Corporation's assets would trigger an inevitable increase in the claims asserted against QWI, the management believes that in the event that the Plan is not accepted by the Affected Creditors or not implemented and a liquidation ensues, there would be very little recovery for Affected Unsecured Creditors from the liquidation of the assets of the Corporation. Management further believes that the Plan will produce a more favourable result for the Affected Creditors than would a liquidation of the assets of the Corporation.

VI. RISK FACTORS

In addition to the other information included in this Circular, Affected Creditors should carefully consider the following risks before deciding whether to vote to accept or reject the Plan.

Risks Relating to the Plan

The U.S. Plan is subject to the approval of the U.S. Court, and the Plan is subject to the approval of the Court.

On January 21, 2008, the Petitioners commenced proceedings under CCAA in the Court. From the date of the filing of the proceedings, the Corporation has operated its business and managed its assets, subject to the supervision of the Court. In order for the Plan to be consummated, the Plan must be sanctioned by the Court and the U.S. Plan must be confirmed by the U.S. Court. There can be no assurance that the Court will approve the Plan, and the U.S. Court will approve the U.S. Plan, as submitted, or at all.

QWI may not be able to obtain the requisite acceptances to sanction the Plan.

QWI cannot ensure that they will receive the requisite acceptances to sanction the Plan. Even if QWI receives the requisite acceptances, it cannot ensure that the Court will sanction the Plan.

If the Plan or an alternative plan is not approved, or if the U.S. Plan is not confirmed, QWI could be forced to liquidate.

If the Plan is not sanctioned and the U.S. Plan is not confirmed, there can be no assurance that the Chapter 11 Cases and the CCAA Proceedings will continue, or that any alternative plan of reorganization would be on terms as favourable to the Affected Creditors. If a liquidation or protracted reorganization were to occur, there is a risk that there would be little, if any, value available for distribution to the Affected Unsecured Creditors. See Exhibit E — “*Liquidation Analysis*” attached to this Circular for a hypothetical liquidation analysis of the Corporation.

The actual Proven Claims may differ from the estimated Affected Claims and adversely affect the percentage recovery of Affected Claims.

The estimated Claims set forth in the Circular are based on various assumptions, and the actual allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual allowed amounts of Claims may vary from the estimated Claims contained in the Circular. Such differences may materially and adversely affect, among other things: the percentage recoveries to holders of Proven Claims under the Plan; QWI’s ability to consummate the Plan; QWI’s ability to meet the Projections; and the Corporation’s need to raise additional debt or equity financing.

Undue delay in confirmation may significantly disrupt the operations of the Corporation.

The impact that a continued prolonging of the Insolvency Proceedings may have on operations of the Corporation cannot be accurately predicted or quantified. The continuation of the Chapter 11 Cases or the CCAA Proceedings, particularly if the Plan and the U.S. Plan are not approved or confirmed in the time frame currently contemplated, is likely to adversely affect the Corporation’s operations and relationships with the Corporation’s customers, vendors and employees. If confirmation and consummation do not occur expeditiously, the Insolvency Proceedings could result in, among other things, increased costs, professional fees, and similar expenses. Prolonged Insolvency Proceedings may also make it more difficult to retain and attract management and other key personnel, and would require senior management to spend a significant amount of time and effort dealing with the Corporation’s

financial reorganization instead of focusing on the operation of the Corporation's businesses. Furthermore, the Corporation's DIP Facility matures on July 21, 2009, and there can be no assurance that the Corporation would be able to obtain an extension or replacement of the DIP Facility beyond July 21, 2009. In addition, any delay in approving or sanctioning the Plan could result in the expiration of the Exit Loan Facility commitments.

The Corporation may not achieve the financial performance projected under the Plan.

The Projections attached as Exhibit F to this Circular cover the Corporation's operations on a consolidated basis through fiscal year 2012, after giving effect to the Plan and the U.S. Plan. These Projections are based on numerous assumptions including the timing, confirmation and consummation of the Plan in accordance with its terms, the anticipated future performance of the Corporation, industry performance, general business and economic conditions and other matters, many of which are beyond the control of the Corporation and some or all of which may not materialize. Furthermore, until the Plan and the U.S. Plan are sanctioned or confirmed and the Petitioners exit creditor protection, the Corporation will continue to require the approval of one or both of the Court and the U.S. Court, as well as the lenders under its DIP Credit Agreement, prior to taking a variety of actions, the taking of which may be necessary for the Corporation to achieve the Projections.

In addition, unanticipated events and circumstances occurring subsequent to the date that this Circular was approved by the Court may affect the actual financial results of QWI's operations. These variations may be material and may adversely affect the ability of QWI to make payments with respect to post-Implementation Date indebtedness. Because the actual results achieved throughout the periods covered by the Projections may vary from the projected results, the Projections should not be relied upon as a guaranty, representation or other assurance of the actual results that will occur.

Except as otherwise specifically and expressly stated herein, this Circular does not reflect any events that may occur subsequent to the date hereof and that may have a material impact on the information contained in this Circular. QWI does not intend to update the Projections; thus, the Projections will not reflect the impact of any subsequent events not already accounted for in the assumptions underlying the Projections.

Certain liabilities will not be fully extinguished as a result of the sanction of the Plan by the Court.

While a significant amount of QWI's current liabilities will be subject to discharge as a result of the CCAA Proceedings, a number of these obligations may remain in effect following implementation of the Plan. Various agreements and liabilities will remain in place, such as equipment and real property leases, employee benefit and pension obligations and other contracts that, even if modified during the CCAA Proceedings, will still subject QWI to substantial obligations and liabilities.

Risks Related to the Corporation's Financial Condition

The Corporation's degree of leverage may limit its financial and operating activities.

The Corporation will have significant indebtedness even after the Implementation Date as a result of the new Exit Loan Facility and obligations of the Corporation that will not be extinguished in the Insolvency Proceedings. The substantial indebtedness of the Corporation could adversely impact its financial health and limit its operations. Further, QWI's historical capital requirements have been considerable and its future capital requirements could vary significantly and may be affected by general economic conditions, industry trends, performance, and many other factors that are not within its control. QWI's substantial level of indebtedness has, in the past, had important consequences, including: limiting its ability to borrow additional amounts for working capital, capital expenditures, debt service requirements, execution of its growth strategy, or other purposes; limiting its ability to use operating cash

flow in other areas of its business because they must dedicate a substantial portion of these funds to service the debt; increasing its vulnerability to general adverse economic and industry conditions; limiting its ability to capitalize on business opportunities and to react to competitive pressures and adverse changes in government regulation; limiting its ability or increasing the costs to refinance indebtedness; and limiting its ability to enter into marketing, hedging, optimization, and trading transactions by reducing the number of counterparties with whom they can transact as well as the volume of those transactions. These consequences, and others, may impact the Corporation's business and operations. The Corporation cannot ensure that it will be able to obtain financing in the future, or that it will be able to obtain financing at cost and on other terms necessary for the Corporation to meet the Projections. The Corporation cannot ensure that it will not experience losses in the future. The Corporation's profitability and ability to generate cash flow will likely depend upon its ability to successfully implement its business strategy and meet or exceed the results forecasted in the Projections. However, the Corporation cannot ensure that it will be able to accomplish these results.

The covenants in the Exit Loan Facility will restrict the Corporation's activities and require it to meet or maintain various financial ratios.

The Exit Loan Facility will contain a number of covenants and other provisions that will restrict the Corporation's ability to engage in various financing transactions and operating activities, including but not limited to: incur additional debt; prepay, redeem, or repurchase indebtedness; pay dividends or repurchase shares of capital stock; make loans or investments; create liens; sell assets; acquire businesses; enter into sale and lease back arrangements; enter into mergers and consolidations; change the nature of the businesses; and amend organizational documents, debt documents, and other material agreements. The Exit Loan Facility also will require the Corporation to maintain various financial ratios. The ability of the Corporation to meet these financial covenants and ratios may be affected by events beyond its control. If the Corporation defaults under any of these requirements, the lenders could declare all outstanding borrowings, accrued interest, and fees to be due and payable. If that were to occur, there can be no assurance that the Corporation would have sufficient liquidity to repay or be able to refinance this indebtedness or any of its other debt. The availability of the Exit Loan Facility is subject to the conditions to be contained in the commitment letter with respect to the Exit Loan Facility and the conditions to effectiveness set forth in the documentation for the exit facilities.

QWT's financial results may be volatile and may not reflect historical trends.

Following the Corporation's emergence from the Insolvency Proceedings, it expects that its financial results may continue to be volatile as asset impairments, asset dispositions and restructuring activities, as well as continuing global economic uncertainty, may significantly impact the Projections. As a result, the Corporation's historical financial performance is likely not indicative of its financial performance post-consummation. In addition, upon emergence from the Insolvency Proceedings, the amounts reported in the Corporation's subsequent financial statements may materially change relative to its historical financial statements, including as a result of revisions to its operating plans pursuant to the Plan. In addition, as part of the Corporation's emergence from bankruptcy protection, it will be required to adopt fresh start accounting. Accordingly, the Corporation's assets and liabilities will be recorded at fair value as of the fresh start reporting date. The fair value of the Corporation's assets and liabilities may differ materially from the recorded values of assets and liabilities in the Projections. In addition, the Corporation's financial results after the application of fresh start accounting may be different from historical trends.

Certain U.S. tax consequences of the Plan raise unsettled and complex legal issues and involve various factual determinations.

Some of the material consequences of the Plan regarding Canadian income taxes and United States federal income taxes are summarized in Section VII “*Income Tax Considerations*”. Many of these tax issues raise unsettled and complex legal, and also involve various factual determinations, such as valuations, that raise additional uncertainties. QWI cannot ensure that the relevant taxing authority will not take a contrary view or challenge the various positions QWI has taken, or intends to take, with respect to QWI’s tax treatment, or that a court would not sustain such a challenge. FOR A MORE DETAILED DISCUSSION OF RISKS RELATING TO CERTAIN POSITIONS QWI INTENDS TO TAKE WITH RESPECT TO VARIOUS TAX ISSUES, PLEASE SEE SECTION VII “*Income Tax Considerations*”.

Canadian tax treatment of the Litigation Trust

The treatment for Canadian income tax purposes of the Litigation Trust and of a Former Holder’s interest in the Litigation Trust is unclear. Former Holders who will hold an interest in the Litigation Trust are strongly urged to consult their own tax advisors. For a more detailed discussion of Canadian income tax risks relating to the Litigation Trust, please see Section VII.B “*Certain Canadian Federal Income Tax Considerations for Existing QWI Shareholders and Affected Creditors*”.

Risks Relating to the Corporation’s Business

The Corporation’s revenue is subject to cyclical and seasonal variations. Prices of, and demand for, the Corporation’s printing services may fluctuate significantly based on factors outside of its control.

The Corporation’s business is sensitive to general economic cycles and may be adversely affected by the cyclical nature of the markets the Corporation serves, as well as by local, regional, national and global economic conditions. The Corporation’s operations are seasonal, with the majority of historical operating income during the past five financial years being recognized in the third and fourth quarters of the financial 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, this seasonality could adversely affect cash flows and results of operations.

The Corporation is unable to predict market conditions and only has a limited ability to affect changes in market conditions for printing services. Pricing and demand for printing services have fluctuated significantly in the past and each has declined significantly in recent years. Prices and demand for printing services may continue to decline from current levels. Further increases in the supply of printing services or decreases in demand could cause prices to continue to decline, and prolonged periods of low prices, weak demand and/or excess supply could have a material adverse effect on the Corporation’s business growth, results of operations and liquidity.

The current recessionary global market and economic conditions, as well as the effects of these conditions on the Corporation’s customers’ businesses, may adversely affect the Corporation’s results of operations.

Global economic conditions affect the Corporation’s customers’ businesses and the markets they serve. Demand for advertising tends to correlate with changes in the level of economic activity in the markets the Corporation’s customers serve. Since a part of the Corporation’s business relies on its customers’ advertising spending, a prolonged downturn in the global economy and an uncertain economic outlook may reduce the demand for printing and related services that the Corporation provides these customers. Economic weakness and constrained advertising spending has resulted, and may result in the future, in decreased revenue, gross margin, earnings or growth rates and collection of customer receivables. In addition, customer difficulties have resulted, and could result in the future, in increases in

bad debt write-offs and in the Corporation's allowance for doubtful accounts receivable. Economic downturns may also result in restructuring actions and associated expenses and impairment of long-lived assets, including goodwill and other intangibles. Uncertainty about future economic conditions makes it difficult for the Corporation to forecast operating results and to make decisions about future investments.

The printing industry is highly competitive.

The printing industry in which the Corporation operates is highly competitive. Competition is largely based on price, quality, range of services offered, distribution capabilities, customer service, availability of printing time on appropriate equipment and state-of-the-art technology. The Corporation competes for commercial printing business not only with large national printers, but also with smaller regional printers. In certain circumstances, due primarily to factors such as freight rates and customer preference for local services, printers with better access to certain regions of a given country may have a competitive advantage in such regions. Since 2001, the printing industry has experienced a reduction in demand for printed materials and excess capacity. Some of the industries that the Corporation services have been subject to consolidation efforts, leading to a smaller number of potential customers. Furthermore, if the Corporation's smaller customers are consolidated with larger companies utilizing other printing companies, the Corporation could lose its customers to competing printing companies. Primarily as a result of this excess capacity and customer consolidation, there have been, and may continue to be, downward pricing pressures and increased competition in the printing industry. Any failure on the Corporation's part to compete effectively in the markets it serves could have a material adverse effect on the results of its operations, financial condition or cash flows and could require changes to the way the Corporation conducts its business or a reassessment of the strategic alternatives involving its operations.

The Corporation will be required to make capital expenditures to maintain its facilities and may be required to make significant capital expenditures to remain technologically and economically competitive, which may significantly increase costs or disrupt operations.

Because production technologies continue to evolve, the Corporation must make capital expenditures to maintain its facilities and may be required to make significant capital expenditures to remain technologically and economically competitive. The Corporation may therefore be required to invest significant capital in improving production technologies. If the Corporation cannot obtain adequate capital or does not respond adequately to the need to integrate changing technologies in a timely manner, operating results, financial condition or cash flows may be adversely affected.

The installation of new technology and equipment may also cause temporary disruption of operations and losses from operational inefficiencies. The impact on operational efficiency is affected by the length of the period of remediation.

A significant portion of the Corporation's revenues is derived from long-term contracts with important customers, which may not be renewed on similar terms and conditions or may not be renewed at all. The failure to renew or be awarded such contracts could adversely affect the Corporation's operating results, financial condition and cash flows.

The Corporation derives a significant portion of its revenues from long-term contracts with important customers. If the Corporation is unable to renew such contracts on similar terms and conditions, or at all, or if it is not awarded new long-term contracts with important customers in the future, its operating results, financial condition and cash flows may be adversely affected.

The Corporation may be adversely affected by increases in operating costs, including the cost and availability of paper, ink and other raw materials and labour-related costs.

The Corporation uses paper and ink as its primary raw materials. The price of such raw materials has been volatile over time and may cause significant fluctuations in the Corporation's net sales and cost of sales. Although the Corporation uses its purchasing power as one of the major buyers in the printing industry to obtain favourable prices, terms, quality control and service, it may nonetheless experience increases in the costs of its raw materials in the future, as prices in the overall paper and ink markets are beyond its control. In general, the Corporation has been able to pass along increases in the cost of paper and ink to many of its customers. If the Corporation is unable to continue to pass any price increases on to its customers, future increases in the price of paper and ink would adversely affect its margins and profits.

Due to the significance of paper in the printing business, the Corporation is dependent upon the availability of paper. In periods of high demand, certain paper grades have been in short supply, including grades used in the Corporation's business. In addition, during periods of tight supply, many paper producers allocate shipments of paper based upon historical purchase levels of customers. Although the Corporation generally has not experienced significant difficulty in obtaining adequate quantities of paper, unforeseen developments in the overall paper markets could result in a decrease in the supply of paper and could cause either or both of revenues or profits to decline. Recently, a number of paper manufacturers have been experiencing serious financial difficulties, and some have filed for bankruptcy protection, which could disrupt or limit the Corporation's paper supplies.

Labour represents a significant component of the Corporation's cost structure. Increases in wages, salaries and benefits, such as medical, dental, pension and other post-retirement benefits, may impact the Corporation's financial performance. Changes in interest rates, investment returns or the regulatory environment may impact the amounts the Corporation is required to contribute to the pension plans that it sponsors and may affect the solvency of its pension plans.

The Corporation's defined benefit pension plans have significant deficits that could grow in the future and cause it to incur additional costs.

The Corporation has defined benefit pension plans for its employees in the United States and Canada. The majority of the Corporation's assets in its defined benefit pension plans are held in North American and global equities and fixed income or debt securities. The Corporation's current asset allocation is approximately 60% equities and 40% debt securities.

Following the recent declines in global equity markets, the Corporation had, as at December 31, 2008, unfunded pension liabilities of approximately U.S.\$240 million for its U.S. qualified defined benefit plans (the "**U.S. Benefit Plans**"). Under current U.S. pension law, funding deficits are generally required to be funded over a seven-year period. Over the next two financial years, contribution requirements for the U.S. Benefit Plans are expected to be approximately U.S.\$110 million under current U.S. pension law. It is possible that Congress will change U.S. pension law to provide some degree of funding relief to sponsors of U.S. defined benefit pension plans; however, no assurances can be given that any such relief will be enacted. In the event the Corporation is forced into liquidation, it would likely be required to terminate the U.S. Benefit Plans. In the event that the U.S. Benefit Plans are terminated, the Corporation would, under current U.S. law, have liability to the Pension Benefit Guaranty Corporation for the then unfunded pension liabilities of the U.S. Plan.

Following the recent declines in global equity markets, the Corporation had, as at December 31, 2008, a solvency deficiency (the excess of windup benefit obligations over the fair value of plan assets) of approximately Cdn\$80 million in its Canadian defined benefit pension plans (the "**Canadian Benefit Plans**"). Under current Canadian legislation, pension solvency deficits are required to be funded over a

five-year period. It has been recently announced that provincial governments are currently preparing legislation to extend from five to ten years the period of time within which solvency deficits must be eliminated through funding contributions. Under the current funding rules in Canada, contribution requirements for these plans are expected to be approximately Cdn\$19 million over the next two financial years. In the event the Corporation is forced into liquidation and compelled to terminate the Canadian Benefit Plans, the Canadian Benefit Plans' members would receive a percentage of its accrued benefits based on such plans' solvency ratio as at the liquidation date.

The Corporation's pension deficits may increase or decrease depending on changes in the levels of interest rates, pension plan investment performance, pension legislation and other factors. Additional significant declines in global, and in particular North American, equity markets would increase, and possibly significantly increase, the Corporation's potential pension funding obligations. Any significant increase in the Corporation's required contributions could have a material adverse impact on its business, financial condition, results of operations and cash flows.

The demand for the Corporation's products and services may be adversely affected by technological changes.

Technological changes continue to increase the accessibility and quality of electronic alternatives to traditional delivery of printed documents through the online distribution and hosting of media content and the electronic distribution of documents and data. The acceleration of consumer acceptance of such electronic media, as an alternative to print materials, may decrease the demand for printed products or result in reduced pricing for printing services.

Strikes and other labour protests may adversely affect the Corporation.

As of March 31, 2009, the Corporation employed approximately 16,400 people in North America, of which approximately 5,500, or approximately 33%, are unionized. The Corporation had 30 collective bargaining agreements in North America as of March 31, 2009. Furthermore, seven collective bargaining agreements are currently in negotiations, one of which expired in 2006, two of which expired in 2007 and four of which expired in 2008. In addition, five collective bargaining agreements will expire later in 2009. As of March 31, 2009, of the Corporation's 67 plants and related facilities, 22 had union representation.

As at December 31, 2008, the Corporation employed approximately 2,400 people in Latin America, the majority of whom are either subject to labour agreements that apply industry-wide or to a collective bargaining agreement.

While relations with its employees have been stable to date and there has not been any material disruption in operations resulting from labour disputes, the Corporation cannot be certain that it will be able to maintain a productive and efficient labour environment. The Corporation cannot predict the outcome of any future negotiations relating to the renewal of the collective bargaining agreements, nor can it assure with certainty that work stoppages, strikes or other forms of labour protests pending the outcome of any future negotiations will not occur. Any strikes or other forms of labour protests in the future could materially disrupt the Corporation's operations and result in a material adverse impact on its financial condition, operating results and cash flows, which could force the Corporation to reassess its strategic alternatives involving certain of its operations.

The Corporation may be adversely affected by interest rates, foreign exchange rates and commodity prices.

The Corporation is exposed to market risks associated with fluctuations in foreign currency exchange rates, interest rates and commodity prices. Because a portion of the Corporation's operations are

outside the Canada, significant revenues and expenses will be denominated in local currencies. Although operating in local currencies may limit the impact of currency rate fluctuations on the operating results of the Corporation's non-Canadian Subsidiaries and business units, fluctuations in such rates may affect the translation of these results into the Corporation's financial statements. Prior to the Insolvency Proceedings, the Corporation used derivative financial instruments, such as foreign exchange forward contracts, cross-currency swaps, interest rate swap agreements and commodity swap agreements to manage certain market risks, however all of the Corporation's derivative contracts were terminated in the first quarter of 2008 as a direct result of the Insolvency Proceedings. In the fourth quarter of 2008, the Corporation partially resumed its hedging activities to manage its exposure to such market risks until June 2009. Consequently, the Corporation is now partially exposed to the market risks associated with movements in foreign currency exchange rates, interest rates and commodity prices.

Increases in fuel and other energy costs may have a negative impact on financial results.

Fuel and other energy costs represent a significant portion of the Corporation's overall costs. The Corporation may not be able to pass along a substantial portion of the rise in the price of fuel and other energy costs directly to customers. In that instance, increases in fuel and other energy costs could adversely affect operating costs or customer demand and thereby negatively impact the Corporation's operating results, financial condition or cash flows.

The Corporation's printing and other facilities are subject to environmental laws and regulations, which may subject the Corporation to material liability or require it to incur material costs.

The Corporation uses various materials in its operations that contain constituents considered hazardous or toxic under environmental laws and regulations. In addition, the Corporation's operations are subject to a variety of environmental laws and regulations relating to, among other things, air emissions, wastewater discharges and the generation, handling, storage, transportation and disposal of solid waste. Further, the Corporation is subject to laws and regulations designed to reduce the probability of spills and leaks and other releases. In the event of a release, the Corporation is also subject to environmental regulation requiring an appropriate response to such an event. Permits are required for the operation of certain of the Corporation's businesses, and these permits are subject to renewal, modification and, in some circumstances, the possibility of revocation.

The Corporation's operations generate wastes that are disposed of off-site. Under certain environmental laws, the Corporation may be liable for cleanup costs and damages relating to contamination at these off-site disposal locations, or at its existing or former facilities, whether or not the Corporation knew of, or was responsible for, the presence of such contamination. The remediation costs and other costs required to clean up or treat contaminated sites can be substantial. Contamination on and from the Corporation's current or former locations may, to the extent not precluded by applicable Laws, subject the Corporation to liability to third parties or governmental authorities for injuries to persons, property or natural resources and may adversely affect its ability to sell or rent its properties or to borrow money using such properties as collateral.

The Corporation expects to incur ongoing capital and operating costs to maintain compliance with environmental laws, including monitoring facilities for environmental conditions. The Corporation takes reserves on its financial statements to cover potential environmental remediation and compliance costs as it considers appropriate. However, there can be no assurance that the liabilities for which the Corporation has taken reserves are the only environmental liabilities relating to its current and former locations, that material environmental conditions not known to the Corporation do not exist, that future laws or regulations will not impose material environmental liability on the Corporation, or cause the Corporation to incur significant capital and operating expenditures, or that the Corporation's actual environmental liabilities will not exceed its reserves. While the Corporation is not a large emitter of

greenhouse gases, laws under consideration to regulate greenhouse gas emissions could have ramifications to the Corporation's operations. In addition, failure to comply with any environmental regulations or an increase in regulations could adversely affect the Corporation's operating results and financial condition.

In the past two years, the Corporation has taken significant goodwill impairment charges and write-downs of the value of its long-lived assets, and may in the future be required to take additional write-downs of the value of its long-lived assets.

The series of events that led to the Insolvency Proceedings and the events since then have triggered impairment tests for the Corporation's property, plant and equipment, and goodwill impairment charges. The Corporation may be required to take additional write-downs on the value of its long-lived assets and/or goodwill impairment charges. In the event the Corporation is required to take additional asset write-downs or goodwill impairment charges, its financial results as well as the trading prices of its various outstanding New Equity Securities could be adversely affected.

The Corporation could be adversely affected by health and safety requirements.

The Corporation is subject to requirements of Canadian, U.S. and other foreign occupational health and safety laws and regulations at the federal, state, provincial and local levels. These requirements are complex, constantly changing and have tended to become more stringent over time. It is possible that these requirements may change or liabilities may arise in the future in a manner that could have a material adverse effect on the Corporation's financial condition or results of operations. There can be no assurance that the Corporation has been or that it will be at all times in complete compliance with all such requirements or that it will not incur material costs or liabilities in connection with those requirements in the future.

Changes in postal rates and postal regulations may adversely impact demand for the Corporation's products and services.

Postal costs are a significant component of many of the Corporation's customers, cost structures and postal rate changes can influence the number of pieces that the Corporation's customers are willing to mail. Any resulting decline in print volumes mailed could have an adverse effect on the Corporation's business.

The Corporation has identified material weaknesses in its internal control over financial reporting and it concluded that those controls, as well as the Corporation's disclosure controls and procedures, were not effective as of December 31, 2008. If the Corporation fails to maintain effective internal control over financial reporting, it may not be able to accurately report its financial results.

As an SEC registrant, the Corporation is required to comply with Section 404 of the Sarbanes-Oxley Act. There are similar requirements under applicable Canadian securities laws. In any given year, the Corporation cannot be certain as to the timing of completion of its internal control evaluation, testing and remediation actions or of their impact on the Corporation's operations. Upon completion of this process, the Corporation may identify control deficiencies of varying degrees of severity under applicable SEC rules and regulations that remain unremediated. As a public company, the Corporation is required to report, among other things, control deficiencies that constitute material weaknesses or changes in internal control that, or that is reasonably likely to; materially affect internal control over financial reporting. A "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. If the Corporation fails to comply with the requirements of Section 404 or report a material

weakness, it might be subject to regulatory sanction and investors may lose confidence in its financial statements, which may be inaccurate if the Corporation fails to remedy such material weakness.

For the financial year ended December 31, 2007, the Corporation identified three material weaknesses in its internal control over financial reporting, and while throughout 2008 the Corporation implemented several remediation actions that it believes materially improved, in the aggregate, its internal control over financial reporting, one material weakness continued to impact the operating effectiveness of its internal control over financial reporting. The Corporation has identified a material weakness in its internal control over financial reporting and it concluded that those controls were not effective as of December 31, 2008. Based on that evaluation, the Corporation concluded that its disclosure controls and procedures were not effective as of December 31, 2008. More particularly, the Corporation did not maintain effective processes and controls over the accounting for and reporting of complex and non-routine transactions. Specifically, the Corporation determined that there was a lack of sufficient accounting and finance personnel to perform in-depth analysis and review of complex accounting matters within the timeframes set by it for filing its consolidated financial statements. This deficiency resulted in certain adjustments to the amounts or disclosures of the following items: inventories, claims and liabilities subject to compromise, financial instruments, pension expense and income taxes. In order to remedy the weakness, the Corporation has undertaken to hire additional qualified resources and it continues to make progress in executing the remediation plans the Corporation has established in order to further improve its internal control in general and to address these weaknesses. The failure to do so, or to do so within a reasonable time frame, could adversely impact the accuracy of the reports and filings it makes with the SEC and the Canadian securities regulatory authorities.

The Corporation is dependent on the experience and industry knowledge of its executive officers and other key employees to execute its business plans. If the Corporation were to experience any turnover in leadership, its business, results from operations and financial condition could be materially adversely affected.

The Corporation is dependent on the experience and industry knowledge of its executive officers and other key employees to execute its business plans. If the Corporation were to experience any turnover in leadership, its business, results from operations and financial condition could be materially adversely affected. Additionally, following its emergence from CCAA Proceedings, the Corporation may be unable to attract and retain additional qualified executives as needed in the future.

There are risks associated with the Corporation's operations outside the United States and Canada.

The Corporation has operations outside the United States and Canada. Revenues from its operations outside the United States and Canada accounted for approximately 7.3% of its revenues for the year ended December 31, 2008, excluding revenues generated by its European operations that were sold on June 26, 2008. As a result, the Corporation is subject to the risks inherent in conducting business outside the United States and Canada, including the impact of economic and political instability and being subject to different legal and regulatory regimes that may preclude or make more costly certain initiatives or the implementation of certain elements of its business strategy.

Acquisitions have contributed to growth in the industry in which the Corporation operates and will continue to do so, making the Corporation vulnerable to financing risks and the challenges of integrating new operations into its own.

Due to fragmentation in the commercial printing industry, growth in the industry in which the Corporation operates has depended and may continue to depend, in part, upon acquisitions, and the Corporation may consider making strategic or opportunistic acquisitions in the future. The Corporation cannot assure that future acquisition opportunities will exist on acceptable terms, that any newly acquired companies will be successfully integrated into its operations or that it will fully realize the intended

results of any acquisitions. QWI may incur additional long-term indebtedness in order to finance all or a portion of the consideration to be paid in future acquisitions. The Corporation cannot assure that it will be able to obtain any such financing upon acceptable terms. While it continuously evaluates opportunities to make strategic or opportunistic acquisitions, the Corporation has no present commitments or agreements with respect to any material acquisitions.

Risks Relating to the New Equity Securities

The Plan exchanges senior securities for junior securities.

If the Plan is confirmed and consummated, Affected Creditors with Proven Claims will receive New Equity Securities. Thus, in agreeing to the Plan, certain of such holders will be consenting to the exchange of their interests in senior debt, which has, among other things, a stated interest rate, a maturity date, and a liquidation preference over equity securities, for New Equity Securities, which will be subordinate to all future creditor and non-equity based Claims.

A liquid trading market for the New Equity Securities may not develop.

Although pursuant to the Plan, QWI is required to use its reasonable best efforts to list and maintain the listing of the New Equity Securities on the TSX on the Implementation Date or as soon as reasonably practicable thereafter, the Corporation makes no assurance that it will be able to obtain these listings, maintain the listings for any period of time or, even if the Corporation does, that liquid trading markets for such New Equity Securities will develop. The liquidity of any market for the New Equity Securities will depend, among other things, upon the number of holders of New Equity Securities, the Corporation's financial performance, and the market for similar securities, none of which can be determined or predicted. Therefore, the Corporation cannot assure that an active trading market will develop or, if a market develops, what the liquidity or pricing characteristics of that market will be.

The trading price for the New Equity Securities may be depressed following the Implementation Date.

Following the Implementation Date, recipients of New Equity Securities under the Plan may seek to dispose of such securities to obtain liquidity, which could cause the initial trading prices for these securities to be depressed, particularly in light of the lack of established trading markets for these securities. Further, the possibility that recipients of New Equity Securities may determine to sell all or a large portion of their shares in a short period of time may adversely affect the market price of the New Equity Securities.

Significant holders may be able to exercise control over the Corporation and their interests may conflict with those of other security holders.

Under the Plan, certain holders of Proven Claims may receive New Securities. If holders of a significant number of shares of QWI Common Shares and/or QWI Class A Preferred Shares were to act as a group, such holders might be in a position to control the outcome of actions requiring shareholder approval, including the election of directors. The interests of significant holders of New Securities may conflict with the interests of other security holders.

The Valuation Analysis of the estimated range of going concern enterprise value, and the estimated recoveries to holders of Affected Claims, are not intended to represent the trading value of the New Equity Securities.

The Valuation Analysis is based on the projections developed by the Corporation's management and on certain generally accepted valuation principles. It is not intended to represent the trading values of the Corporation's securities in public or private markets. The Valuation Analysis is based on numerous

assumptions (the realization of many of which are beyond the Corporation's control), including the Corporation's successful reorganization, an assumed Implementation Date on or about July 10, 2009, the Corporation's ability to achieve the operating and financial results included in the projections, the Corporation's ability to maintain adequate liquidity to fund operations and the assumption that capital and equity markets remain consistent with current conditions. Even if the Corporation realizes the projections, the trading market values for the New Equity Securities could be adversely impacted by the lack of trading liquidity for these securities, lack of institutional research coverage, and concentrated selling by recipients of these securities.

The New Securities may be issued in odd lots.

Holders of Proven Claims may receive odd lot distributions (*i.e.*, less than 100 shares or units) of New Securities under the Plan. Holders may find it more difficult to dispose of odd lots in the marketplace and may face increased brokerage charges in connection with any such disposition.

The Corporation does not expect to pay cash dividends on the QWI Common Shares for the foreseeable future.

The terms of the QWI Class A Preferred Shares limit, and the terms of the Exit Loan Facility may limit, among other things, the Corporation's ability to pay cash dividends on the QWI Common Shares. Accordingly, it is not anticipated that any cash dividends will be paid on the QWI Common Shares for the foreseeable future.

Restrictions on transfer.

Holders of New Equity Securities issued pursuant to the Plan who are deemed to be "underwriters" as defined in Section 1145(b) of the Bankruptcy Code, including holders who are deemed to be "affiliates" or "control persons" within the meaning of the U.S. Securities Act, will be unable freely to transfer or to sell their New Equity Securities except pursuant to (a) "ordinary trading transactions" by a holder that is not an "issuer" within the meaning of Section 1145(b), (b) an effective registration of such securities under the U.S. Securities Act and under equivalent state securities or "blue sky" laws (and, other than as provided in the Registration Rights Agreements, QWI is under no obligation to register such securities), or (c) pursuant to the provisions of Rule 144 under the U.S. Securities Act or another available exemption from the registration requirements of the Securities Act. Similarly, under Canadian securities laws, New Equity Securities held by "control persons" will generally not be freely tradable in Canada and will be subject to resale restrictions. See Section V.B "*The Plan — Description of the Plan — Canadian Securities Law Considerations*" and Section V.B "*The Plan — Description of the Plan — United States Securities Law Considerations*" above.

Possible charging liens of indenture trustees could dilute the recovery of Affected Creditors arising from issuances of public securities.

Certain indenture trustees may elect to assert charging liens under the relevant indenture to recover fees, costs, and expenses incurred during the CCAA Proceedings. If they do so, the recovery under the Plan by Affected Creditors arising from issuances of public securities could be reduced.

U.S. investors in QWI's securities may have difficulties enforcing certain civil liabilities.

QWI is governed by the laws of Canada and a number of QWI's Subsidiaries are governed by the laws of a jurisdiction outside of the United States. Moreover, a majority of QWI's current directors and officers are residents of Canada or other jurisdictions outside of the United States and all or a substantial

portion of their assets and a portion of QWI's assets are located outside of the United States. As a result, it may be difficult for QWI's securityholders to effect service of process upon QWI or such persons within the United States or to enforce, against QWI or them in the United States, judgments of courts of the United States predicated upon the civil liability provisions of U.S. federal or state securities laws or other laws of the United States. There is doubt as to the enforceability in certain jurisdictions outside the United States of liabilities predicated solely upon U.S. federal or state securities laws against QWI, QWI's directors and officers who are not residents of the United States, in original actions or in actions for enforcements of judgments of U.S. courts.

VII. INCOME TAX CONSIDERATIONS

A. ELIGIBILITY FOR INVESTMENT

The QWI Class A Preferred Shares and the QWI Common Shares to be issued pursuant to the Plan, assuming QWI continues to be a "public corporation" (as defined in the Tax Act), will be, upon issuance, qualified investments under the Tax Act and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, tax-free savings accounts and registered disability savings plans. It is expected that QWI will continue to be a "public corporation" (as defined in the Tax Act) upon issuance of the QWI Class A Preferred Shares and the QWI Common Shares to be issued pursuant to the Plan. Provided that the holder of an arrangement that is a tax-free savings account does not hold a "significant interest" (as defined in the Tax Act) in QWI or in any person or partnership that does not deal at arm's length with QWI, and provided that such holder deals at arm's length with QWI, neither the QWI Class A Preferred Shares nor the QWI Common Shares will be prohibited investments for an arrangement that is a tax-free savings account.

B. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS FOR EXISTING QWI SHAREHOLDERS AND AFFECTED CREDITORS

THE FOLLOWING SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR FORMER HOLDER (AS DEFINED BELOW). CONSEQUENTLY, FORMER HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR ADVICE AS TO THE TAX CONSIDERATIONS OF THE IMPLEMENTATION OF THE PLAN, AND OF HOLDING QWI COMMON SHARES, QWI CLASS A PREFERRED SHARES, OR QWI WARRANTS HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.

In the opinion of Ogilvy Renault LLP, counsel to QWI, the following describes the principal Canadian federal income tax consequences of the Plan to (i) an Existing QWI Shareholder that disposes of its Existing QWI Shares and its Redeemable Shares; and (ii) to an Affected Creditor whose Affected Claims are either assigned or settled in exchange for New Securities and/or cash pursuant to the Plan, (each, a "**Former Holder**"), and that, for the purposes of the Tax Act and at all relevant times, deals at arm's length with and is not affiliated with QWI, holds its Existing QWI Shares, Redeemable Shares, Affected Claims and New Securities as capital property and whose claims are not in respect of unpaid remuneration. The Existing QWI Shares, the Redeemable Shares, the Affected Claims and the New Securities should generally be considered to be capital property for this purpose unless either the Former Holder holds such Existing QWI Shares, Redeemable Shares, Affected Claims or New Securities in the course of carrying on a business, or the Former Holder has held such Existing QWI Shares, Redeemable Shares, Affected Claims or New Securities in a transaction or transactions considered to be an adventure or concern in the nature of trade.

The Tax Act contains “mark-to-market” provisions relating to securities held by certain financial institutions. This summary does not take into account such mark-to-market rules. Former Holders that are “financial institutions” for the purposes of such rules should consult with their own tax advisors.

This summary is based upon the current provisions of the Tax Act and counsel’s understanding of the current published administrative practices and policies of the CRA. This summary also takes into account all proposed amendments to the Tax Act publicly released by or on behalf of the Minister of Finance (Canada) (the “**Tax Proposals**”), and assumes that all such Tax Proposals will be enacted in the form currently proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. This summary does not otherwise take into account or anticipate any changes in law, whether by way of legislative, judicial or administrative action or interpretation, nor does it address any provincial, territorial or foreign tax considerations.

All amounts, including the cost of, or dividends on, and proceeds of disposition from Existing QWI Shares, Redeemable Shares, Affected Claims and New Securities must generally be determined for purposes of the Tax Act in Canadian dollars at applicable exchange rates. The amount of any capital gain or any capital loss to a Former Holder on or with respect to the Existing QWI Shares, Redeemable Shares, Affected Claims or New Securities may be affected by fluctuations in Canadian dollar exchange rates. This description of foreign exchange consequences does not apply to a Former Holder who is a corporation that has elected in the prescribed form and manner and has otherwise met the requirements to use functional currency tax reporting as set out in the Tax Act and such Former Holders are advised to consult their own tax advisors in this regard.

The adjusted cost base for Canadian tax purposes to a Former Holder of a New Security will be equal to the fair market value thereof upon issuance to such Former Holder and must be averaged with the adjusted cost base of all other New Securities held by a Former Holder as capital property for purposes of calculating the adjusted cost base of such New Security at the time of its disposition.

Certain Canadian Federal Income Tax Considerations for Canadian Holders

The following discussion applies to a Former Holder who, at all relevant times, for the purposes of the Tax Act and any applicable income tax treaty or convention, is resident in Canada (a “**Canadian Holder**”). Certain Canadian Holders whose Existing QWI Shares, Redeemable Shares, Affected Claims or New Securities might not otherwise qualify as capital property may, in certain circumstances, treat such Existing QWI Shares, Redeemable Shares, QWI Common Shares or QWI Class A Preferred Shares as capital property by making an irrevocable election as provided by Subsection 39(4) of the Tax Act.

Exchange of Existing QWI Shares and Redemption of Redeemable Shares

A Canadian Holder will not realize any capital gain or capital loss upon the exchange of Existing QWI Shares for Redeemable Shares. The redemption of the Redeemable Shares will generally result in a capital loss to a Canadian Holder equal to the adjusted cost base of the Existing QWI Shares to the Canadian Holder immediately before their exchange for Redeemable Shares. The tax treatment of any such loss is described below under the heading “*Certain Canadian Federal Income Tax Considerations for Canadian Holders — Taxation of Capital Gains and Capital Losses*”.

Assignment or Settlement of Affected Claims

A Canadian Holder will be considered either to have disposed of Affected Claims upon the assignment of such Affected Claims in exchange for cash and/or New Securities, or, as the case may be, to have received a payment in settlement of such Holder’s Affected Claims in the form of cash and/or New Securities.

Under the Plan, the consideration payable to the Affected Creditors in the form of cash and/or New Securities in respect of either the assignment or settlement of Affected Claims, as the case may be, will be allocated first to the principal amount of the Affected Claims, and the balance, if any, to accrued interest in respect of the Affected Claims. There can be no assurance, however, that the CRA will not disagree with such allocation. The income tax consequences arising to a Canadian Holder as a result of this allocation will depend upon the particular circumstances of the Canadian Holder, including the method followed in computing its income for tax purposes, whether such Canadian Holder has previously claimed a reserve for doubtful debts or a bad debt deduction in respect of such Affected Claims (including interest in respect thereof) and whether the Canadian Holder purchased the Affected Claims from a third party. Certain Canadian Holders may be required to include as interest in computing income for the year of disposition the amount of interest that accrued on the Affected Claims for a period commencing before the Implementation Date and ending at the Implementation Date that is not payable until after that time to the extent that interest was not otherwise included in computing the Canadian Holder's income for the year of disposition or a preceding taxation year. A Canadian Holder should be entitled to deduct in computing income for the year of disposition amounts that were included in computing the Canadian Holder's income for the year of disposition or a preceding taxation year as interest in respect of the Affected Claims, generally, to the extent that such amounts were not received or receivable by the Canadian Holder and were not deducted by the Canadian Holder in computing income for the year of disposition or a preceding taxation year.

In general, the receipt of cash and/or New Securities in consideration for the assignment of or, as the case may be, in settlement of Affected Claims, will give rise to a capital gain (or a capital loss) to the extent that the proceeds of disposition upon the assignment of or, as the case may be, the payment received in settlement of the Affected Claims, net of any amount included in the Canadian Holder's income as interest and any reasonable costs of disposition, exceed (or are exceeded by) the Canadian Holder's adjusted cost base of such Affected Claims. Any such capital gain (or capital loss) will be subject to the treatment described below under the heading "*Certain Canadian Federal Income Tax Considerations for Canadian Holders — Taxation of Capital Gains and Capital Losses*". A Canadian Holder's proceeds of disposition upon the assignment of or, as the case may be, the payment received in settlement of the Affected Claims will be an amount equal to the cash and/or the fair market value of the New Securities at the time of their issuance received in consideration for the assignment of the Affected Claim or, as the case may be, for the settlement of the Affected Claim.

Holding and Disposition of QWI Common Shares

Dividends and deemed dividends on QWI Common Shares will be included in a Canadian Holder's income for purposes of the Tax Act. Such dividends received by an individual Canadian Holder will be subject to the gross-up and dividend tax credit rules generally applicable under the Tax Act in respect of dividends received on shares of taxable Canadian corporations. A Canadian Holder that is a corporation will include such dividends in computing its income and generally will be entitled to deduct the amount of such dividends in computing its taxable income. A Canadian Holder that is a "private corporation" or a "subject corporation" (as such terms are defined in the Tax Act), may be liable under Part IV of the Tax Act to pay a refundable tax of 33 $\frac{1}{3}$ % on dividends received or deemed to be received on the QWI Common Shares to the extent such dividends are deductible in computing the Canadian Holder's taxable income.

A Canadian Holder will realize a capital gain (or capital loss) on a disposition or deemed disposition of QWI Common Shares (other than to QWI unless purchased by QWI in the open market in the manner in which shares are normally purchased by any member of the public in the open market) equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the adjusted cost base to the Canadian Holder of such QWI Common Shares, and any reasonable costs of disposition. The

tax treatment of any such capital gain (or capital loss) is described below under the heading “*Certain Canadian Federal Income Tax Considerations for Canadian Holders — Taxation of Capital Gains and Capital Losses*”.

Holding and Disposition of QWI Class A Preferred Shares

The tax consequences to a Canadian Holder of receiving dividends and deemed dividends on QWI Class A Preferred Shares, and on the disposition of QWI Class A Preferred Shares (otherwise than through a redemption, retraction, conversion or a disposition to QWI unless purchased by QWI in the open market in the manner in which shares are normally purchased by any member of the public in the open market) will generally be identical to those described above under the heading “*Certain Canadian Federal Income Tax Considerations for Canadian Holders — Holding and Disposition of QWI Common Shares*”, except for certain Canadian Holders who are corporations, as discussed below. Furthermore, in the case of dividends paid in kind (“**PIK Dividends**”), if any, on the QWI Class A Preferred Shares, the amount of the dividend for purposes of the Tax Act will generally be deemed to be equal to the amount added to the stated capital account maintained in respect of the QWI Class A Preferred Shares as a result of the PIK Dividend. However, for certain limited purposes of the Tax Act, including Part IV.1 of the Tax Act discussed below, the amount of a PIK Dividend will be deemed to be equal to the fair market value of the QWI Class A Preferred Shares issued as a PIK Dividend.

The QWI Class A Preferred Shares will be treated as “taxable preferred shares” for the purposes of the Tax Act. As taxable preferred shares, a Canadian holder that is a corporation will generally be liable to a 10% tax on dividends, including deemed dividends on QWI Class A Preferred Shares, under Part IV.1 of the Tax Act unless such holder has, at the time the dividend is paid or is deemed to be paid, a “substantial interest” (as defined in the Tax Act) in QWI. A Holder will generally be deemed to have a “substantial interest” in QWI if either (a) the Holder is related to QWI at that time or (b) the Holder owned, at that time, alone or together with any related person or persons (i) shares of the capital stock of QWI that would give them 25% or more of the votes that could be cast under all circumstances at an annual meeting of shareholders of QWI, (ii) shares of the capital stock of QWI having a fair market value of 25% or more of the fair market value of all the issued shares of the capital stock of QWI, and either (iii) shares (other than “taxable preferred shares”) of the capital stock of QWI having a fair market value of 25% or more of the fair market value of all those shares of the capital stock of QWI, or (iv) in respect of each class of shares of the capital stock of QWI, shares of that class having a fair market value of 25% or more of the fair market value of all the issued shares of that class.

On the redemption (including a retraction, acquisition or cancellation) of a QWI Class A Preferred Shares by QWI (otherwise than by a purchase by QWI in the open market in the manner in which shares are normally purchased by any member of the public in the open market) a Canadian Holder will be deemed to have received a dividend equal to the amount, if any, paid by QWI in excess of the paid-up capital of such QWI Class A Preferred Shares at such time as computed for purposes of the Tax Act. The amount paid by QWI on such redemption (or retraction) will be equal to the amount of cash received at the time of the redemption (or retraction). The amount of any such deemed dividend will generally not be included in computing the Canadian Holder’s proceeds of disposition for purposes of computing the capital gain or loss arising on disposition of such QWI Class A Preferred Shares. The tax consequences to a Canadian Holder of receiving such deemed dividend will generally be identical to those described above under the heading “*Certain Canadian Federal Income Tax Considerations for Canadian Holders — Holding and Disposition of QWI Class A Preferred Shares*”. In the case of a corporate holder of QWI Class A Preferred Shares, it is possible that, in certain circumstances, all or part of any such deemed dividend may be treated as proceeds of disposition giving rise to a capital gain (or a capital loss) as described below and not as a dividend.

A Canadian Holder who disposes of, or is deemed to dispose of, QWI Class A Preferred Shares (on the redemption of such stock or otherwise) will generally realize a capital gain (or sustain a capital loss) to the extent that the holder's proceeds of disposition, net of any costs of disposition, exceed (or are less than) the adjusted cost base of such shares to the holder. The amount of any deemed dividend arising on the redemption, acquisition or cancellation by QWI of QWI Class A Preferred Shares will generally not be included in computing the holder's proceeds of disposition for purposes of computing the capital gain or capital loss arising on the disposition of such QWI Class A Preferred Shares. The tax treatment of any such capital gain (or capital loss) is described below under the heading "*Certain Canadian Federal Income Tax Considerations for Canadian Holders — Taxation of Capital Gains and Capital Losses*".

Exercise of Conversion Privilege on QWI Class A Preferred Shares

The exercise by a Canadian Holder of its right to convert the QWI Class A Preferred Shares into QWI Common Shares will not constitute a disposition thereof by the holder and the aggregate cost to the holder of the QWI Common Shares so obtained will be the adjusted cost base to the holder of the converted QWI Class A Preferred Shares immediately before the conversion. The adjusted cost base to a Canadian Holder of QWI Common Shares at any time will be determined by averaging the cost of such QWI Common Shares with the adjusted cost base of any other QWI Common Shares owned by the Canadian Holder as capital property at that time. On the basis of standing CRA administrative policy, a holder who receives cash not exceeding \$200 in lieu of a fractional share on the conversion at the option of the holder of QWI Class A Preferred Shares into QWI Common Shares will have the option of recognizing the capital gain or capital loss arising on the disposition of the fractional share in computing the holder's income for the taxation year in which the conversion occurs or, alternatively, of reducing the adjusted cost base of the QWI Common Shares received at the time of conversion by the amount of cash received by the holder.

The fair market value of QWI Common Shares received on conversion in respect of declared and unpaid dividends will be included in a holder's income as a dividend and, subject to the averaging rules contained in the Tax Act, will be the cost to the holder of such QWI Common Shares.

Exercise and Expiry of QWI Warrants

A Canadian Holder will not realize a gain or loss upon the exercise of a QWI Warrant. The Canadian Holder's cost of QWI Common Shares acquired by exercising the QWI Warrants will be equal to the aggregate of the Canadian Holder's adjusted cost base of the QWI Warrants exercised plus the exercise price paid for the QWI Common Shares. The adjusted cost base of the QWI Warrants will be equal to their fair market value on their date of grant. The Canadian Holder's adjusted cost base of the QWI Common Shares so acquired will be determined by averaging the cost of such QWI Common Shares with the adjusted cost base (determined immediately before the acquisition of such QWI Common Shares) of all other QWI Common Shares held by such Canadian Holder as capital property at the time of acquisition.

In the event of the expiry of an unexercised QWI Warrant, a Canadian Holder will realize a capital loss equal to the Canadian Holder's adjusted cost base of such QWI Warrant.

Taxation of Capital Gains and Capital Losses

In general, one half of the amount of any capital gain (a "**Taxable Capital Gain**") realized by a Canadian Holder in a taxation year will be included in the Canadian Holder's income in the year and one-half of the amount of any capital loss (an "**Allowable Capital Loss**") realized by a Canadian Holder in a taxation year may be deducted from Taxable Capital Gains realized by the Canadian Holder in the year and any of the three preceding taxation years or in any subsequent year, to the extent and under the circumstances described in the Tax Act. However, if a Canadian Holder that is a corporation has received

dividends on shares it holds or is deemed to have received dividends upon the redemption of shares held by it, which are deductible in computing its taxable income or are not subject to tax, the capital loss otherwise realized in respect of the disposition of such shares will be reduced by the total amounts of such dividends or deemed dividends to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns shares, directly or indirectly, through a partnership or trust. A Taxable Capital Gain realized by a Canadian Holder who is an individual may give rise to liability for alternative minimum tax.

Additional Refundable Tax

A Canadian Holder that is a “Canadian-controlled private corporation” (as such term is defined in the Tax Act) may be liable to pay an additional refundable tax of 6⅔% on certain investment income, including amounts in respect of Taxable Capital Gains.

Litigation Trust Interests

The treatment for Canadian income tax purposes of the Litigation Trust and of a Canadian Holder’s Litigation Trust Interest, including the holding and disposition thereof and the receipt of distributions in respect thereof, is unclear. Under the Tax Proposals, the Litigation Trust may be deemed, for certain purposes of the Tax Act, to be resident in Canada. To the extent the Litigation Trust realizes any income or capital gain with respect to the litigious rights transferred to the Litigation Trust, the Litigation Trust may be liable for Canadian income tax if less than all of such income or gain is not paid or made payable to the beneficiaries in the relevant taxation year. This could arise if, for instance, the entitlement of a particular Former Holder of an Affected Claim to a distribution from the Litigation Trust is not yet determined with certainty. In such a case, pursuant to the Tax Proposals, Canadian Holders of beneficial interests in the Litigation Trust have jointly and severally, or solidarily, with the Litigation Trust and each other, the rights and obligations of the Litigation Trust under Divisions I and J of the Tax Act including in respect of the filing of returns and the payment of income tax payable by the Litigation Trust and may be subject to administration and enforcement proceedings under Part XV of the Tax Act in respect of those rights and obligations. To the extent that the income or gains of the Litigation Trust are paid or made payable to the Litigation Trust Beneficiaries in a particular taxation year, the Litigation Trust Beneficiaries may be liable for Canadian tax in respect of such amounts paid or made payable. Alternatively, under the current provisions of the Tax Act, the Litigation Trust may, for certain purposes of the Tax Act, be deemed to be a non-resident corporation having a capital stock of a single class divided into 100 issued shares and each beneficiary under the Litigation Trust would be deemed to own at any time the number of the issued shares that is equal to the proportion of 100 that the fair market value at that time of such beneficiary’s beneficial interest in the Litigation Trust is of the fair market value at that time of all beneficial interests in the Litigation Trust. Canadian Holders, who receive an interest in the Litigation Trust upon the assignment of their Affected Claims or, as the case may be, the settlement of their Affected Claims, should consult their own tax advisors.

Certain Canadian Federal Income Tax Considerations for U.S. Holders

The following discussion applies to a Former Holder who, at all relevant times, for the purposes of the Tax Act and the Canada-United States Income Tax Convention (1980), as amended (the “**Income Tax Convention**”), is resident or deemed resident in the United States, is entitled to the benefits of the Income Tax Convention, is not (and is not deemed to be) a resident of Canada, does not have a “permanent establishment” in Canada, owns less than 10% of the voting shares of QWI, does not use or hold (or will not use or hold) and is not deemed to use or hold the New Securities in, or in the course of, carrying on a business or part of a business in Canada and is not a “registered non-resident insurer” or an “authorized foreign bank” within the meaning of the Tax Act (a “**U.S. Holder**”).

Cancellation of Existing QWI Shares

A U.S. Holder will not realize any capital gain or capital loss upon the exchange of Existing QWI Shares for Redeemable Shares. The redemption of the Redeemable Shares will generally result in a disposition for purposes of the Tax Act and a capital loss to a U.S. Holder equal to the adjusted cost base of the Existing QWI Shares immediately before their exchange for Redeemable Shares. A U.S. Holder will not be entitled to deduct an Allowable Capital Loss realized on such redemption in computing taxable income earned in Canada to offset any Taxable Capital Gain unless such Redeemable Shares constitute “taxable Canadian property” (as defined in the Tax Act) of the U.S. Holder at the time of disposition and such Redeemable Shares are not “treaty-protected property” (as defined in the Tax Act). Because the Redeemable Shares will not be listed on a “designated stock exchange”, the Redeemable Shares will constitute “taxable Canadian property” of a U.S. Holder. Despite the Redeemable Shares being “taxable Canadian property” to a U.S. Holder, the Redeemable Shares will generally be “treaty-protected property”, provided the value of such Redeemable Shares is not derived principally from real property situated in Canada (as defined in the Income Tax Convention).

Given that the Redeemable Shares will not be listed on a “recognized stock exchange” (as defined in the Tax Act), a U.S. Holder who disposes of Redeemable Shares will be required to satisfy the obligations imposed under Section 116 of the Tax Act to file a notice with the CRA in respect of such disposition as well as to file a Canadian income tax return. However, if the Redeemable Shares are “treaty-protected property” (as defined in the Tax Act), an exemption from the requirement to satisfy the obligations imposed under Section 116 of the Tax Act as well as to file a Canadian income tax return may be available in respect of their disposition of “treaty-protected property”.

Assignment or Settlement of Claims

A U.S. Holder will be considered either to have disposed of Affected Claims upon the assignment of such Affected Claims in exchange for cash and/or New Securities, or, as the case may be, to have received a payment in settlement of such Holder’s Affected Claims in the form of cash and/or New Securities. No taxes will be payable under the Tax Act by such U.S. Holder upon such assignment or settlement, nor will such a U.S. Holder be entitled to deduct any resulting loss in computing taxable income earned in Canada.

Disposition of QWI Common Shares and QWI Warrants

A U.S. Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such U.S. Holder on a disposition of QWI Common Shares or QWI Warrants unless such QWI Common Shares or QWI Warrants constitute “taxable Canadian property” (as defined in the Tax Act) of the U.S. Holder at the time of disposition. As long as the QWI Common Shares are listed at the time of disposition on a “designated stock exchange” (which currently includes the TSX), the QWI Common Shares and QWI Warrants generally will not constitute taxable Canadian property of a U.S. Holder, unless, at any time during the 60-month period immediately preceding the disposition, the U.S. Holder, persons with whom the U.S. Holder did not deal at arm’s length, or the U.S. Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the capital stock of QWI. If the QWI Common Shares or QWI Warrants are considered taxable Canadian property to a U.S. Holder, the Income Tax Convention will generally exempt that U.S. Holder from tax under the Tax Act in respect of the disposition thereof, provided the value of such QWI Common Shares or QWI Warrants is not derived principally from real property situated in Canada (as defined in the Income Tax Convention).

As long as the QWI Common Shares are listed at the time of their disposition on the TSX or another “recognized stock exchange” (as defined in the Tax Act), a U.S. Holder who disposes of QWI Common Shares or QWI Warrants that are taxable Canadian property will not be required to satisfy the obligations imposed under Section 116 of the Tax Act. An exemption from such requirements may also

be available in respect of their disposition if they are “treaty-protected property” (as defined in the Tax Act).

Disposition of QWI Class A Preferred Shares

A U.S. Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such U.S. Holder on a disposition of QWI Class A Preferred Shares unless such QWI Class A Preferred Shares constitutes “taxable Canadian property” (as defined in the Tax Act) of the U.S. Holder at the time of disposition. As long as the QWI Class A Preferred Shares are listed at the time of disposition on a “designated stock exchange” (which currently includes the TSX), the QWI Class A Preferred Shares generally will not constitute taxable Canadian property of a U.S. Holder, unless at any time during the 60-month period immediately preceding the disposition, the U.S. Holder, persons with whom the U.S. Holder did not deal at arm’s length, or the U.S. Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the capital stock of QWI. If the QWI Class A Preferred Shares are considered taxable Canadian property to a U.S. Holder, the Income Tax Convention will generally exempt that U.S. Holder from tax under the Tax Act in respect of the disposition thereof, provided the value of such QWI Class A Preferred Shares is not derived principally from real property situated in Canada (as defined in the Income Tax Convention).

As long as the QWI Class A Preferred Shares are listed at the time of their disposition on the TSX or another “recognized stock exchange” (as defined in the Tax Act), a U.S. Holder who disposes of QWI Class A Preferred Shares that are taxable Canadian property will not be required to satisfy the obligations imposed under Section 116 of the Tax Act. An exemption from such requirements may also be available in respect of their disposition if they are “treaty-protected property” (as defined in the Tax Act).

Taxation of Dividends on QWI Common Shares and QWI Class A Preferred Shares

Dividends paid or credited or deemed to be paid or credited on the QWI Common Shares or the QWI Class A Preferred Shares to a U.S. Holder generally will be subject to Canadian withholding tax at the rate of 15%. In the case of PIK Dividends on the QWI Class A Preferred Shares, if any, the amount of the dividend for Canadian withholding tax purposes will generally be deemed to be equal to the amount added to the stated capital account maintained in respect of the QWI Class A Preferred Shares as a result of the PIK Dividends. The terms of the QWI Class A Preferred Shares provide that, in order to find its remittance of any such withholding tax in respect of PIK Dividends, QWI may, on behalf of the Holder, sell Class A Preferred Shares issued to such Holder as a PIK Dividend and remit to the Holder any net proceeds, net of costs of disposition such withholding and any other applicable withholding. Under the Income Tax Convention, dividends paid or credited to a U.S. Holder that is a United States tax exempt organization as described in Article XXI of the Income Tax Convention (other than dividends that constitute income from carrying on a trade or business) will generally not be subject to Canadian withholding tax, although those entities may be subject to administrative procedures to confirm their eligibility for that exemption.

Redemption of QWI Class A Preferred Shares

If QWI redeems for cash, cancels or otherwise acquires the QWI Class A Preferred Shares other than by a purchase in the manner in which shares are normally purchased by a member of the public in the open market or by a conversion of the QWI Class A Preferred Shares into QWI Common Shares, the U.S. Holder will be deemed to have received a dividend equal to the amount, if any, paid by QWI in excess of the paid-up capital of such shares at such time (see “*Certain Canadian Federal Income Tax Considerations for U.S. Holders — Taxation of Dividends on QWI Common Shares and QWI Class A Preferred Shares*” above). The difference between the amount paid by QWI and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain

or capital loss arising on the disposition of such shares (see “*Certain Canadian Federal Income Tax Considerations for U.S. Holders — Disposition of QWI Class A Preferred Shares*” above).

Exercise of Conversion Privilege on QWI Class A Preferred Shares

The exercise by a U.S. Holder of its right to convert the QWI Class A Preferred Shares into QWI Common Shares will not constitute a disposition thereof by the holder and the cost to the holder of the QWI Common Shares so obtained will be the adjusted cost base to the holder of the converted QWI Class A Preferred Shares immediately before the conversion.

The fair market value of QWI Common Shares received on conversion determined at the time of receipt in respect of declared and unpaid dividends will be treated as a dividend to such holder and, subject to the averaging rules contained in the Tax Act, will be the cost to the holder of such QWI Common Shares.

Exercise or Expiry of QWI Warrants

A U.S. Holder will not realize a gain or loss upon the exercise of a QWI Warrant. The U.S. Holder’s cost of QWI Common Shares acquired by exercising QWI Warrants will be equal to the aggregate of the U.S. Holder’s adjusted cost base of the QWI Warrants exercised plus the exercise price paid for the QWI Common Shares. The adjusted cost base of the QWI Warrants will be equal to their fair market value on their date of grant. The U.S. Holder’s adjusted cost base of the QWI Common Shares so acquired will be determined by averaging the cost of such QWI Common Shares with the adjusted cost base (determined immediately before the acquisition of such QWI Common Shares) of all other QWI Common Shares held by such U.S. Holder at the time of acquisition.

In the event of the expiry of an unexercised QWI Warrant, the U.S. Holder will realize a capital loss equal to the U.S. Resident Holder’s adjusted cost base of such QWI Warrant. A U.S. Holder will not be entitled to deduct an Allowable Capital Loss realized on the expiry unless such QWI Warrant constitutes “taxable Canadian property” (as defined in the Tax Act) of the U.S. Holder at the time of expiry and such QWI Warrant is not “treaty-protected property” (as defined in the Tax Act).

Litigation Trust Interests

The treatment for Canadian income tax purposes of the Litigation Trust and of a U.S. Holder’s Litigation Trust Interest, including the holding and disposition thereof and the receipt of distributions in respect thereof, is unclear. Under the Tax Proposals, the Litigation Trust may be deemed, for certain purposes of the Tax Act, to be resident in Canada. To the extent the Litigation Trust realizes any income or capital gain with respect to the litigious rights transferred to the Litigation Trust, the Litigation Trust may be liable for Canadian income tax if less than all of such income or gain is not paid or made payable to the beneficiaries in the relevant taxation year. This could arise if, for instance, the entitlement of a particular Former Holder of an Affected Claim to a distribution from the Litigation Trust is not yet determined with certainty. Under the Tax Proposals, distributions by the Litigation Trust to U.S. Holders may be subject to 25% Canadian withholding tax. Alternatively, under the current provisions of the Tax Act, the Litigation Trust may, for certain purposes of the Tax Act, be deemed to be a non-resident corporation having a capital stock of a single class divided into 100 issued shares and each beneficiary under the Litigation Trust would be deemed to own at any time the number of the issued shares that is equal to the proportion of 100 that the fair market value at that time of such beneficiary’s beneficial interest in the Litigation Trust is of the fair market value at that time of all beneficial interests in the Litigation Trust. This deeming rule should not result in any Canadian tax consequence for a U.S. Holder. U.S. Holders who receive an interest in the Litigation Trust upon the assignment of their Affected Claims or, as the case may be, the settlement of their Affected Claims, should consult their own tax advisors.

C. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The discussion of United States federal income tax consequences below is based on the United States Internal Revenue Code of 1986, as amended (the “**Tax Code**”), United States Treasury Regulations, judicial authorities, published positions of the United States Internal Revenue Service (“**IRS**”) and other applicable authorities, all as in effect on the date of this document and all of which are subject to change or differing interpretations (possibly with retroactive effect).

The following discussion does not address non-United States federal tax consequences, nor state or local tax consequences of the Plan, nor does it purport to address the United States federal income tax consequences of the Plan to special classes of taxpayers (e.g., banks and certain other financial institutions, insurance companies, tax-exempt organizations, governmental entities, persons that are, or hold their Claims through, pass-through entities, persons whose functional currency is not the United States dollar, non-United States persons, dealers in securities or non-United States currency, employees, persons who received their Claims pursuant to the exercise of an employee stock option or otherwise as compensation and persons holding Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale or conversion transaction). Furthermore, the following discussion does not address United States federal taxes other than income taxes.

The following discusses certain United States federal income tax consequences of the transactions contemplated by the Plan to holders of claims (“**Claimholders**”) and holders of Interests (“**Interestholders**”) that are “United States holders,” as defined below. The United States federal income tax consequences to Claimholders (including the character, timing and amount of income, gain or loss recognized) will depend upon, among other things, (i) the manner in which a holder acquired a Claim; (ii) the length of time the Claim has been held; (iii) whether the Claim was acquired at a discount; (iv) whether the holder has taken a bad debt deduction with respect to the Claim (or any portion thereof) in the current or prior years; (v) whether the holder has previously included in its taxable income accrued but unpaid interest with respect to the Claim; (vi) the holder’s method of tax accounting; and (vii) whether the Claim is an instalment obligation for United States federal income tax purposes. Therefore, Claimholders should consult their own tax advisors for information that may be relevant to their particular situations and circumstances and the particular tax consequences to them of the transactions contemplated by the Plan. This discussion assumes that the Claimholder has not taken a bad debt deduction with respect to a Claim (or any portion thereof) in the current or any prior year and that such Claim did not become completely or partially worthless in a prior taxable year.

For purposes of the following discussion, a “United States holder” is a Claimholder or Interestholder that is (i) a citizen or individual resident of the United States, (ii) a corporation created or organized in the United States or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (b) the trust was in existence on August 20, 1996 and properly elected to be treated as a United States person. If a Claimholder or Interestholder is a partnership, the United States federal income tax consequences to an owner or partner in such partnership generally will depend on the status of such owner or partner and on the activities of such partnership.

Special United States federal income tax rules apply to distributions in respect of, and gains realized upon the disposition of, shares of a passive foreign investment company (“**PFIC**”). In general, a PFIC is a foreign corporation where, after taking into account the income and assets of the foreign corporation and certain of its subsidiaries and affiliates pursuant to applicable “look-through rules,” either (i) at least 75% of its gross income is “passive income” or (ii) at least 50% of the average value of its

assets is attributable to assets which produce passive income or are held for the production of passive income. The determination of whether QWI is a PFIC is a factual one and depends on QWI's assets and income (taking into account the applicable "look-through rules") from time to time. QWI does not anticipate that it will ever be a PFIC and the remainder of this discussion assumes that QWI is not and will not become a PFIC in any taxable year.

EACH HOLDER IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE UNITED STATES FEDERAL, STATE AND LOCAL AND ANY NON-UNITED STATES TAX CONSEQUENCES OF THE TRANSACTIONS DESCRIBED HEREIN AND IN THE PLAN.

TREASURY DEPARTMENT CIRCULAR 230 NOTICE: YOU ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE TAX CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE DEBTORS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) EACH PERSON SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Cancellation of Existing QWI Shares

An existing Interestholder who holds Existing QWI Shares will generally recognize a loss for United States federal income tax purposes in an amount equal to the excess of the adjusted tax basis of the holder's Existing QWI Shares over the amount of money and the fair market value of other property received by such holder on redemption of its Existing QWI Shares. The character of such loss as capital loss or as ordinary loss will be determined by a number of factors, including the tax status of the holder and whether the Interestholder holds its Existing QWI Shares as a capital asset.

Assignment or Settlement of Claims

Except as described in the following two paragraphs, a Claimholder that receives Cash or other property in discharge of its Claim pursuant to the Plan will recognize income, gain or loss for United States federal income tax purposes in an amount equal to the difference between (i) Cash and the fair market value on the Effective Date of any property received by such Claimholder in respect of its Claim, and (ii) the adjusted tax basis of the holder's Claim. The character of such gain or loss as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the holder, the nature of the Claim in such holder's hands, whether the Claim constitutes a capital asset in the hands of the holder, whether the Claim is a "security" under Tax Code Section 165(g), whether the Claim was purchased at a discount, and whether and to what extent the holder has previously claimed a bad debt deduction with respect to its Claim. A Claimholder recognizing a loss as a result of the Plan may be entitled to a bad debt deduction, either in the taxable year of the Effective Date or a prior taxable year. Any capital gain or loss would be long-term gain or loss if the Claimholder's holding period for its Claims was more than one year on the Effective Date. The adjusted tax basis of property received by a holder in exchange for its Claim will generally be equal to the fair market value of property received by a holder on the Effective Date. The holding period for any such property will begin on the day after the Effective Date.

Under Tax Code Section 351, a Claimholder holding Senior Notes, however, will not recognize any loss for United States federal income tax purposes on the exchange of such Senior Notes if, immediately after consummation of the Plan, Claimholders that held Senior Notes, taken together, hold at

least 80% of the aggregate voting power of the QWI Common Shares and the QWI Class A Preferred Shares (if the QWI Class A Preferred Shares are treated as “stock entitled to vote” under Tax Code Section 368(c)) or at least 80% of both the number of QWI Common Shares and the number of the QWI Class A Preferred Shares (if the QWI Class A Preferred Shares are not considered as “stock entitled to vote” under Tax Code Section 368(c)).

Under Tax Code Section 368(a)(1)(E), a Claimholder holding 9.75% Notes due 2015 will not recognize gain or loss with respect to the amount of such Notes exchanged for QWI Shares and QWI Warrants. The tax basis of such QWI Shares and QWI Warrants will be the same as the tax basis of such Notes exchanged therefor.

Under the Plan, some property may be distributed or deemed distributed to certain Claimholders with respect to their Claims for accrued interest. Holders of Claims for accrued interest that previously have not included such accrued interest in taxable income will be required to recognize ordinary income equal to the fair market value of the property received with respect to such Claims for accrued interest. Holders of Claims for accrued interest that have included such accrued interest in taxable income generally may take an ordinary deduction to the extent that such Claim is not fully satisfied under the Plan (after allocating the distribution between principal and accrued interest), even if the underlying Claim is held as a capital asset. The adjusted tax basis of the property received in exchange for Claims for accrued interest will equal the fair market value of such property on the Effective Date, and the holding period for the property received in exchange for such Claims will begin on the day after the Effective Date. The Plan provides that, to the extent permitted by applicable law, a distribution with respect to an Affected Claim that is comprised of indebtedness and accrued but unpaid interest thereon will be allocated first to principal and then to accrued but unpaid interest for United States and Canadian income tax purposes. The extent to which consideration distributable under the Plan would be deemed allocable to interest for federal income tax purposes, however, is not entirely clear. Claimholders are advised to consult their own tax advisors to determine the amount, if any, of consideration received under the Plan that is allocable to interest.

The market discount provisions of the Tax Code may apply to holders of certain Claims. In general, a debt obligation other than a debt obligation with a fixed maturity of one year or less that is acquired by a holder in the secondary market (or, in certain circumstances, upon original issuance) is a “market discount bond” as to that holder if its stated redemption price at maturity (or, in the case of a debt obligation having original issue discount, the revised issue price) exceeds the adjusted tax basis of the bond in the holder’s hands immediately after its acquisition. However, a debt obligation will not be a “market discount bond” if such excess is less than a statutory de minimise amount. Gain recognized by a creditor with respect to a “market discount bond” will generally be treated as ordinary interest income to the extent of the market discount accrued on such bond during the creditor’s period of ownership, unless the creditor elected to include accrued market discount in taxable income currently. A holder of a market discount bond may be required under the market discount rules of the Tax Code to defer deduction of all or a portion of the interest on indebtedness incurred or maintained to acquire or carry the bond. In such circumstances, such holder may be allowed to deduct such interest, in whole or in part, on the disposition of such bond.

Disposition of QWI Common Shares, QWI Class A Preferred Shares and QWI Warrants

If a United States holder sells, exchanges or otherwise disposes of the QWI Common Shares, QWI Class A Preferred Shares or QWI Warrants in a taxable disposition, the United States holder generally will recognize capital gain or loss equal to the difference, if any, between the amount realized (that is, the amount of cash and the fair market value of any property received) for the QWI Common Shares, QWI Class A Preferred Shares or QWI Warrants and the adjusted basis of the United States

holder's QWI Common Shares, QWI Class A Preferred Shares or QWI Warrants, respectively. Such capital gain or loss will be long-term if the United States holder's holding period is more than one year and will be short-term if the holding period is not more than one year. Capital gains of non-corporate United States holders derived with respect to a sale, exchange or other disposition of QWI Common Shares, QWI Class A Preferred Shares or QWI Warrants in which the United States holder has a holding period exceeding one year may be eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Gain realized by a United States holder on a sale or other disposition of the QWI Common Shares, QWI Class A Preferred Shares or QWI Warrants generally will be treated as United States source income for United States foreign tax credit purposes.

Taxation of Dividends on QWI Common Shares and QWI Class A Preferred Shares

Generally, the gross amount of any distribution of cash or property made to a United States holder with respect to the QWI Common Shares or the QWI Class A Preferred Shares generally will be includible in gross income by a United States holder as ordinary dividend income to the extent such distributions are paid by QWI out of its current or accumulated earnings and profits (as determined for United States federal income tax purposes). Distributions in excess of any current and accumulated earnings and profits generally are treated as a non-taxable return of capital to the extent of the adjusted basis of the United States holder's QWI Common Shares or QWI Class A Preferred Shares, as applicable, to the extent thereof, and thereafter as gain from the sale or exchange of property. For this purpose, QWI intends to determine its earnings and profits under the applicable principles of United States federal income tax law.

If a distribution with respect to the QWI Class A Preferred Shares is paid in the form of additional QWI Class A Preferred Shares, different treatment than described in the immediately preceding paragraph may result. If the QWI Class A Preferred Shares are treated as "common stock" for purposes of Tax Code Section 305, distributions to United States holders of additional shares of such "common stock" that are made as part of a pro rata distribution to all holders of QWI generally will not be treated as dividend income for United States federal income tax purposes, but could result in additional United States source taxable gain upon the sale of such additional shares. On the other hand, if the QWI Class A Preferred Shares are treated as "preferred stock" within the meaning of Tax Code Section 305, or if the United States holder receives a distribution of additional shares other than as described in the preceding sentence, such distributions (including amounts withheld in respect of any Canadian taxes) will be treated as dividends that are includible in the United States holder's gross income to the same extent and in the same manner as distributions payable in cash. In that event, the amount of such distribution (and the adjusted basis of the United States holder's QWI Class A Preferred Shares) generally will equal the fair market value of the QWI Class A Preferred Shares on the date of distribution.

Distributions that are treated as dividends for United States federal income tax purposes will not be eligible for the dividends-received deduction in the hands of corporate United States holders unless QWI is a "qualified 10% owned foreign corporation" and, if so, only with respect to QWI's "United States source portion" of such dividends and so long as QWI is neither a "foreign personal holding company" or a PFIC. A "qualified 10% owned foreign corporation" is one in which the recipient of the dividend owns at least 10% of the vote and value. The "United States source portion" of a dividend is an amount bearing the same ratio to the dividend as the "post-1986 undistributed United States earnings" (as defined in Tax Code Section 245(a)(5)) bears to the total "post-1986 undistributed earnings" (as defined in Tax Code Section 902(c)(1)). A "foreign personal holding company" is a foreign corporation in which more than 50% of the total combined voting power of all classes of voting stock or the total value of the stock is owned by or for no more than five United States citizens or residents.

Dividends on the QWI Common Shares and QWI Class A Preferred Shares received by certain non-corporate United States holders through taxable years beginning on or before December 31, 2010 will be subject to a reduced maximum tax rate of 15% so long as (i) the QWI Common Shares or the QWI Class A Preferred Shares have been held for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date, (ii) the United States holder is not under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property, (iii) QWI is a “qualified foreign corporation” and (iv) QWI is not a PFIC (as defined above) in the year of distribution or the prior year. QWI generally will be treated as a qualified foreign corporation with respect to any dividend it pays if the QWI Common Shares or the QWI Class A Preferred Shares, as applicable, are readily traded on an established securities market in the United States or QWI is eligible to claim benefits under the income tax treaty between the United States and Canada. Any dividend received by a United States holder that is a corporation may be subject to the “extraordinary dividend” provisions in Tax Code Section 1059.

Distributions paid in Canadian dollars will be translated into a United States dollar amount based on the spot rate of exchange in effect on the date of receipt, whether or not the payment is converted into United States dollars at that time. Any gain or loss resulting from currency exchange rate fluctuations during the period from the date the distribution is includible in the income of the United States holder to the date that payment is converted into United States dollars generally will be treated as ordinary income or loss. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

A United States holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on the QWI Common Shares or QWI Class A Preferred Shares generally will be entitled, at the election of such United States holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a United States holder’s United States federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a United States holder’s income subject to United States federal income tax. This election is made on a year-by-year basis and applies to all non-United States taxes paid (whether directly or through withholding) by a United States holder during a year.

Complex limitations apply to the United States foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a United States holder’s United States federal income tax liability that such United States holder’s “foreign source” taxable income bears to such United States holder’s worldwide taxable income. In applying this limitation, a United States holder’s various items of income and deduction must be classified, under complex rules, as either “foreign source” or “United States source.” In addition, this limitation is calculated separately with respect to specific categories of income. Dividends received from QWI generally will be treated as income from sources outside the United States for United States foreign tax credit limitation purposes. Depending on the United States holder’s circumstances, dividends paid will be “passive category” or, in certain cases, “general category” income.

Dividends paid or credited or deemed to be paid or credited on the QWI Common Shares or the QWI Class A Preferred Shares to a United States holder that is entitled to the benefits of the Income Tax Convention (as defined above) generally will be subject to Canadian withholding tax at the rate of 15% under that Income Tax Convention. In certain circumstances, and with respect to certain classes of United States holders, that tax rate may be reduced to 5%.

Redemption of QWI Class A Preferred Shares

Gain or loss realized by a United States holder on the redemption of QWI Class A Preferred Shares will be subject to United States federal income taxation as capital gain or loss in an amount equal

to the difference between the adjusted basis of the United States holder's QWI Class A Preferred Shares and the amount realized on the redemption. Gain realized by a United States holder on a redemption of the QWI Class A Preferred Shares, including gain that arises because the adjusted basis of the United States holder's QWI Class A Preferred Shares has been reduced because a distribution is treated as a return of capital rather than as a dividend, generally will be treated as United States source income for United States foreign tax credit purposes.

If the QWI Class A Preferred Shares are considered "preferred stock" for United States federal income tax purposes, they may be subject to certain redemption premium rules that would require the difference between the issue price of the QWI Class A Preferred Shares and their redemption price to be included in income currently on a constant yield to maturity basis over the period between the issue date of the QWI Class A Preferred Shares and their first redemption date. If the difference between the issue price and the redemption price of the QWI Class A Preferred Shares results in a discount of more than 0.0025 multiplied by the number of complete years to the redemption date, and the QWI Class A Preferred Shares are considered preferred stock for United States federal income tax purposes, the redemption premium rules will apply, regardless of whether any actual distribution is received. The amounts required to be taken into income under the redemption premium rules are in addition to any other amounts treated as distributions pursuant to the rules described above.

Exercise of Conversion Privilege on QWI Class A Preferred Shares

A United States holder generally will not recognize any income, gain or loss on the conversion of the QWI Class A Preferred Shares into QWI Common Shares, except with respect to cash received in lieu of a fractional QWI Common Share, if any, which would be treated as if the fractional share were received and then immediately redeemed for cash. The United States holder generally will recognize gain or loss equal to the difference between the cash received and that portion of the adjusted basis of the United States holder's QWI Class A Preferred Share attributable to the fractional share. In addition, if the QWI Class A Preferred Shares are treated as preferred stock for United States federal income tax purposes, a portion of the QWI Common Shares received upon conversion may be treated as a distribution if there are accrued dividends that have not yet been taken into account at the time of the conversion. In that case, the lesser of (i) the amount by which the fair market value of the QWI Common Shares received on conversion exceeds the issue price of the QWI Class A Preferred Shares and (ii) the amount of the dividends in arrears, would be treated as a distribution taxable as described above under the heading "*Certain United States Federal Income Tax Considerations — Taxation of Dividends on QWI Common Shares and QWI Class A Preferred Shares*". The adjusted basis of the United States holder's QWI Common Shares (including any fractional share for which cash is paid, but excluding shares treated as a distribution as described above) will equal the adjusted basis of the United States holder's QWI Class A Preferred Shares. The adjusted basis of the United States holder's QWI Common Shares treated as a distribution will equal the fair market value of such shares when received. The United States holder's holding period in the QWI Common Shares (other than shares treated as a distribution as described above) will include the holding period in the QWI Class A Preferred Shares. The holding period in any QWI Common Shares treated as a distribution will begin the day after the date of conversion.

Exercise or Expiry of QWI Warrants

A United States holder generally will not recognize gain or loss upon the exercise of the QWI Warrants. QWI Common Shares acquired pursuant to the exercise of the QWI Warrants will have a tax basis equal to the adjusted basis of the United States holder's QWI Warrants, increased by any premium paid to exercise the QWI Warrants, less the portion of such basis allocable to any fractional share. The holding period of such QWI Common Shares will begin the day after exercise of the QWI Warrants. If the terms of the QWI Warrants provide for any adjustment to the number of QWI Common Shares for which the QWI Warrants may be exercised or to the exercise price of the QWI Warrants, such adjustment

may under certain circumstances result in a constructive distribution that could be taxable as a dividend to the United States holder of the QWI Warrants. Conversely, the absence of an appropriate adjustment may result in a constructive distribution that could be taxable as a dividend to the United States holder of the QWI Common Shares.

If the QWI Warrants are allowed to lapse unexercised, a United States holder will have a capital loss equal to the adjusted basis of the United States holder's QWI Warrants, which will be treated as long-term or short-term capital loss depending upon whether such United States holder's holding period in the QWI Warrants exceeds one year as of the date of the expiration. The deductibility of capital losses is subject to limitations.

Litigation Trust Interests

For United States federal income tax purposes, QWI, the U.S. Debtors, the Litigation Trustee and the Litigation Trust Beneficiaries will treat the transfer of assets to the Litigation Trust and issuance of Litigation Trust Interests as a transfer by U.S. Debtors of the assets to the Trust Beneficiaries, followed by a transfer of such assets by the Trust Beneficiaries to the Litigation Trust in exchange for direct or indirect beneficial interests in the Litigation Trust. For United States federal income tax purposes, the Litigation Trust will be treated as a grantor trust, and the Trust Beneficiaries will be treated as the grantors, deemed owners and beneficiaries of the Litigation Trust. Because a grantor trust is disregarded as an entity for United States federal income tax purposes, no tax should be imposed on the Litigation Trust itself or on the income earned or gain recognized by the Litigation Trust. Instead, the Trust Beneficiaries will be taxed on their allocable shares of such net income or gain in each taxable year (determined in accordance with the Litigation Trust Agreement), whether or not they received any distributions from the Litigation Trust in such taxable year.

The Litigation Trustee, QWI and the U.S. Debtors will determine, in consultation with the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, the fair market value as of the Implementation Date of all assets transferred to the Litigation Trust, which determination will be made in a reasonable manner, after consultation with members of the Governing Board, and such determined fair market value will be used by QWI, the U.S. Debtors, the Litigation Trust, the Litigation Trustee and the Litigation Trust Beneficiaries for all United States federal income tax purposes.

Although, for United States federal income tax purposes, the Litigation Trust has been structured with the intention of complying with guidelines established by the IRS in Revenue Procedure 94-45, 1994-2 C.B. 684, for the formation of "liquidating trusts," it is possible that the IRS could require a different characterization of the Litigation Trust, which could result in different and possibly greater tax liability to the Litigation Trust and/or the holders of the Claims. No ruling has been or will be requested from the IRS concerning the tax status of the Litigation Trust, and there can be no assurance the IRS will not require an alternative characterization of the Litigation Trust. If the Litigation Trust were determined by the IRS to be taxable not as a "liquidating trust" (as defined for United States federal income tax purposes), the taxation of the Litigation Trust and the transfer of assets to the Litigation Trust could be materially different than as described herein and could have a material adverse effect on the holders of Claims.

Transfer Reporting Requirements

A United States person (including a United States tax-exempt entity) that acquires equity of a non-United States corporation (such as the QWI Common Shares or the QWI Class A Preferred Shares) at issuance may be required to file an IRS Form 926 or a similar form with the IRS if (a) such person owned, directly or by attribution, immediately after the transfer at least 10% by vote or value of the non-United States corporation or (ii) if the transfer, when aggregated with all transfers made by such person

(or any related person) within the preceding 12 month period, exceeds \$100,000. If a United States holder of the QWI Common Shares or the QWI Class A Preferred Shares fails to file any such required form, the United States holder could be subject to a penalty (generally up to a maximum of \$100,000, except in cases involving intentional disregard), computed in the amount of 10% of the fair market value of the QWI Common Shares or the QWI Class A Preferred Shares, as applicable, at the time such QWI Common Shares or QWI Class A Preferred Shares, as applicable, are acquired by such United States holder.

Information Reporting and Backup Withholding

Certain payments, including payments in respect of accrued interest, are generally subject to information reporting by the payor to the IRS. Moreover, such reportable payments are subject to backup withholding under certain circumstances. Under the Tax Code's backup withholding rules, a United States holder may be subject to backup withholding at the applicable rate with respect to certain distributions or payments pursuant to the Plan, unless the holder (i) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates this fact, or (ii) provides a correct United States taxpayer identification number and certifies under penalty of perjury that the holder is a United States person, that the taxpayer identification number is correct and that the holder is not subject to backup withholding because of a failure to report all dividend and interest income.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a holder's United States federal income tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS.

VIII. RECOMMENDATION OF THE MONITOR

The following constitutes the conclusion of the Monitor's Report, to be filed with the Court on or before June 10, 2009, and should be read in the context thereof.

The Monitor believes that if the Plan or a plan is not implemented, the most likely alternative would be a liquidation of the Corporation's assets under the CCAA, the BIA or other statutes and the distribution of the net proceeds of such liquidation to the creditors in accordance with their respective priorities.

The Monitor has assisted the Corporation in preparing an estimate of the net realizable value of the Corporation's assets on a consolidated basis assuming liquidation proceedings, based on the asset and liabilities as they appear in the Corporation's financial records as at December 31, 2008. The liquidation analysis, including the key assumptions related thereto, is set out as Exhibit E — "*Liquidation Analysis*" to this Circular. The analysis assumes that the liquidation will be carried out through a combination of sales of certain parts of the business on a going concern basis, an orderly wind down of the operations, and the liquidation of the remaining assets.

The Monitor has reviewed the liquidation analysis and the assumptions made in preparing same, and agrees with its conclusions. The analysis indicates that it is expected that in the event that the Plan is not accepted by the Affected Creditors or not implemented and a liquidation ensues, there would be very little recovery for Affected Unsecured Creditors from the liquidation of the assets of the Corporation.

The Monitor believes the Plan will produce a more favourable result for the Affected Creditors than would a liquidation of the Corporation's assets in accordance with the assumptions set out in the Liquidation Analysis. Accordingly, the Monitor recommends that Affected Creditors approve the Plan and vote in favour of the Resolution.

IX. RECOMMENDATION OF THE BOARD

The Board has approved the Plan and has authorized its submission to the Affected Creditors for their approval at the Creditors' Meeting and subject to that approval, to the Court for approval.

In making its recommendation, the Board considered various factors, including the inability of QWI to repay its indebtedness, the necessity of restructuring its capital structure, and the impact on various stakeholders of QWI, particularly the Affected Creditors, of a liquidation of the Corporation's assets. The Board took into account and relied upon: advice received from the legal counsel to QWI and the financial advisor to QWI, UBS; and the opinion and views of management. The Board also took into account the opinion and views of the Monitor (set out above in Section VIII "*Recommendation of the Monitor*") and the Liquidation Analysis attached as hereto Exhibit E. The Board also considered a Discussion of Estimated Valuation of Company upon Reorganization prepared by the Corporation, with the assistance of its financial advisor and investment banker, UBS prepared for the purpose of estimating the post-confirmation going concern enterprise value for the Corporation. A discussion of the valuation methodology and a copy of the reorganization Discussion of Estimated Valuation of Company upon Reorganization is attached to this Circular as Exhibit G.

ESTIMATES OF VALUE DO NOT PURPORT TO BE APPRAISALS NOR DO THEY NECESSARILY REFLECT THE VALUE WHICH MAY BE REALIZED IF ASSETS ARE SOLD. THE ESTIMATES OF VALUE REPRESENT HYPOTHETICAL REORGANIZED ENTERPRISE VALUES ASSUMING THE IMPLEMENTATION OF THE BUSINESS PLAN AS WELL AS OTHER SIGNIFICANT ASSUMPTIONS. SUCH ESTIMATES WERE DEVELOPED SOLELY FOR PURPOSES OF FORMULATING AND NEGOTIATING A PLAN OF REORGANIZATION AND ANALYZING THE PROJECTED RECOVERIES THEREUNDER.

THE ESTIMATED ENTERPRISE VALUE IS HIGHLY DEPENDENT UPON ACHIEVING THE FUTURE FINANCIAL RESULTS SET FORTH IN THE PROJECTIONS AS WELL AS THE LIQUIDATION OF CERTAIN OTHER ASSUMPTIONS, NONE OF WHICH ARE GUARANTEED.

THE VALUATIONS SET FORTH IN EXHIBIT G HERETO REPRESENT ESTIMATED REORGANIZATION VALUES AND DO NOT NECESSARILY REFLECT VALUES THAT COULD BE ATTAINABLE IN PUBLIC OR PRIVATE MARKETS. THE EQUITY VALUE ASCRIBED IN THE DISCUSSION DOES NOT PURPORT TO BE AN ESTIMATE OF THE POST-REORGANIZATION MARKET VALUE. SUCH VALUE, IF ANY, MAY BE MATERIALLY DIFFERENT FROM THE REORGANIZED EQUITY VALUE RANGES ASSOCIATED WITH THE DISCUSSION OF ESTIMATED VALUATION OF COMPANY UPON REORGANIZATION.

The Board believes that the most likely alternative to the Plan would be a liquidation of the Corporation's assets under the CCAA, the BIA or other statutes and the distribution of the net proceeds of such liquidation to creditors in accordance with their respective priorities. The Board also believes, based on the Liquidation Analysis set out in Exhibit E hereto, that in the event that the Plan is not accepted by the Affected Creditors and liquidation ensues, there would be very little recovery for Affected Unsecured Creditors from the liquidation of the assets of the Corporation. The Board believes the Plan will produce a more favourable result for the Affected Creditors than would a liquidation of the Corporation's assets while providing QWI with an opportunity to continue as a viable going concern with a recapitalized balance sheet and reduced expenses. **Consequently, the Board recommends that Affected Creditors approve the Plan and vote in favour of the Resolution.**

X. ADDITIONAL INFORMATION

QWI files periodic reports and other information with the CSA and the SEC. These reports include certain financial and statistical information about the Corporation and may be accompanied by exhibits. This information may be found on the Corporation's website at www.quebecorworld.com, on the CSA's website at www.sedar.com and on the EDGAR section of the SEC's website at www.sec.gov. Any documents referred to in this Circular may also be inspected at QWI's offices at 999 de Maisonneuve Boulevard West, Suite 1100, Montréal, Quebec, Canada, H3A 3L4.

XI. AUDITORS, TRANSFER AGENTS AND REGISTRAR

The auditors of the Corporation are KPMG LLP, 600 De Maisonneuve Blvd West, Montréal, Quebec, H3A 0A3.

The transfer agent and registrar for the Existing QWI Shares and the QWI Shares is Computershare Trust Corporation of Canada, whose head office is located in Toronto.

XII. APPROVAL OF CIRCULAR

The contents and the sending of this Circular have been approved by the board of directors of Quebecor World Inc.

DATED at Montréal, Quebec this ● day of ●, 2009.

QUEBECOR WORLD INC.

Per: _____

Name:

Title:

EXHIBIT A — RESOLUTION

RESOLVED that:

1. The plan of reorganization and compromise (the “**Plan**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (“**CCAA**”) set out as Exhibit B — “*Plan of Reorganization and Compromise*” to the notice of meeting and information circular of Quebecor World Inc. (the “**Corporation**”), and certain of its subsidiaries dated ●, 2009 is approved and authorized.
2. Notwithstanding the passing of this resolution or the passing of similar resolutions or the approval of the Quebec Superior Court (the “**Court**”), the board of directors of each Corporation, without further notice to, or approval of, the Affected Creditors of the Corporation, subject to the terms of the Plan, may decide not to proceed with the Plan or may revoke this resolution at any time prior to the Plan becoming effective, providing that any such decision after the issue of a sanction order shall require the approval of the Monitor and the Court.
3. Each officer and director of the Corporation is authorized, for and on behalf of the Corporation, to execute and deliver any and all documents and instruments and to take such other actions as he or she determines necessary or desirable to give effect to the Plan, including the transactions required by the Plan, such determination to be conclusively evidenced by the execution and delivery of any such document or the taking of any such actions.

EXHIBIT B — PLAN OF REORGANIZATION AND COMPROMISE

Please see attached.

EXHIBIT C — CREDITORS' MEETING ORDER

Please see attached.

EXHIBIT D — CLAIMS PROCEDURE ORDER

Please see attached.

EXHIBIT E — LIQUIDATION ANALYSIS

Please see attached.

EXHIBIT F — PROJECTIONS

The attached Projections were included as part of the First Amended Disclosure Statement relating to the U.S. Plan dated May 5, 2009. Defined terms used in the attached Projections have the meaning attributed to such terms in the U.S. Plan.

EXHIBIT G — DISCUSSION OF ESTIMATED VALUATION OF THE CORPORATION UPON REORGANIZATION

Please see attached.