WORLD COLOR PRESS INC.

ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2009

March 1, 2010

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INTRODUCTORY NOTE

Unless otherwise indicated or the context suggests otherwise, all references in this Annual Information Form to “we”, “our”, “us”, the “Company” or “Worldcolor” are to World Color Press Inc., the successor corporation to Quebecor World Inc. following its reorganization and emergence from bankruptcy, and includes its consolidated subsidiaries. All references in this Annual Information Form to “QWI”, are to Quebecor World Inc., the predecessor corporation of Worldcolor, and includes its consolidated subsidiaries.

Unless otherwise indicated (a) all references to “dollars” and “$” are to U.S. dollars (b) all references to “Cdn$” are to Canadian dollars; (c) all references to “€” are to euros; and (d) the information presented in this Annual Information Form is given as at December 31, 2009.

OUR COMPANY

Our History

QWI was incorporated on February 23, 1989 pursuant to the *Canada Business Corporations Act* (the “CBCA”) under the name “Quebecor Printing Inc.” (“Quebecor Printing”). QWI was formed to consolidate the assets constituting what was then the printing division of its parent, Quebecor Inc.

On January 1, 1990, QWI’s predecessors, Quebecor Printing, Quebecor Printing Group Inc., Quebecor Printing (Canada) Inc., 166599 Canada Inc., Ronalds Printing Atlantic Limited and 148461 Canada Inc. amalgamated under the name “Quebecor Printing Inc.” pursuant to the CBCA. This corporate reorganization was undertaken to consolidate the assets of the printing sector of Quebecor Inc., QWI’s controlling shareholder, which, prior to such reorganization, consisted of a number of divisions and subsidiaries.

On October 8, 1999, Quebecor Printing acquired all of the outstanding shares of World Color Press Inc. by way of merger and, on April 25, 2000, Quebecor Printing changed its name to “Quebecor World Inc.” by filing articles of amendment to its certificate of amalgamation under the CBCA.

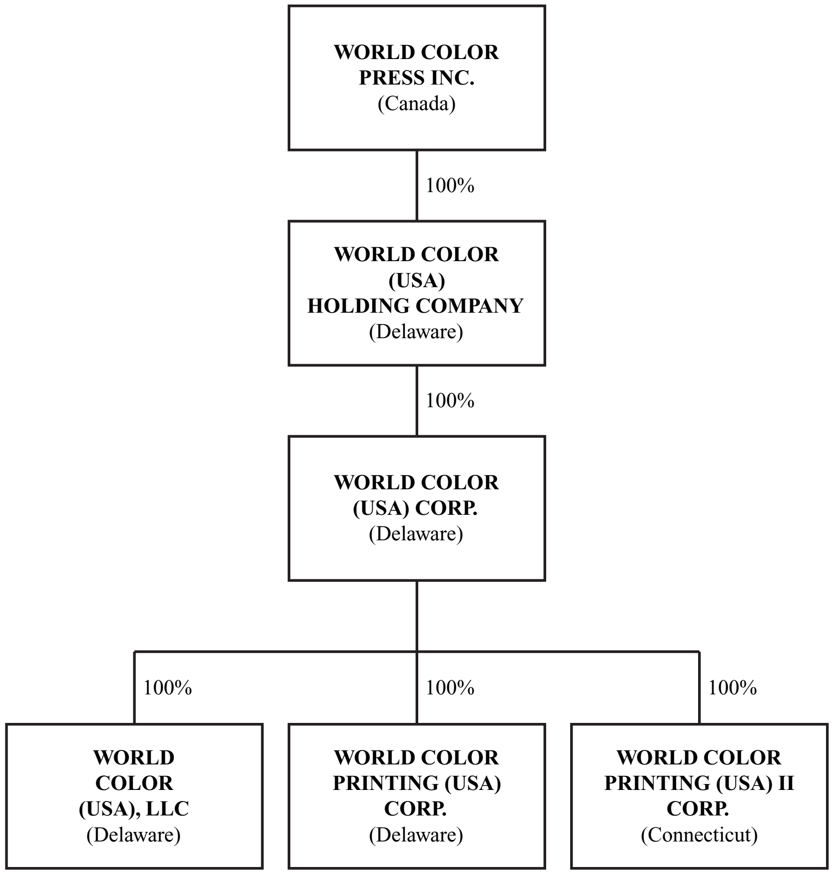
On July 21, 2009, QWI implemented a plan of reorganization and compromise (the “Plan”) and successfully emerged from protection under the *Companies’ Creditors Arrangement Act* (Canada) and under Chapter 11 of the U.S. *Bankruptcy Reform Act of 1978*, as amended and codified in Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”). In connection with QWI’s exit from protection and as part of the implementation of the Plan, QWI filed, on July 21, 2009, articles of reorganization to effect, among other things, a change in its name to “World Color Press Inc.”.

On January 25, 2010, Worldcolor and Quad/Graphics, Inc. (“Quad/Graphics”) entered into a definitive arrangement agreement (the “Arrangement Agreement”), pursuant to which, subject to the terms and conditions set forth therein, Worldcolor will amalgamate with a subsidiary of Quad/Graphics (the “Quad/Graphics Transaction”). The Quad/Graphics Transaction is being undertaken by way of a plan of arrangement of Worldcolor pursuant to the terms of the CBCA and is expected to close in the summer of 2010, subject to certain regulatory approvals and other closing conditions.

The registered and head office of Worldcolor is located at 999 de Maisonneuve Boulevard West, Suite 1100, Montreal, Quebec, Canada H3A 3L4. Our telephone number is (514) 877-5334 and our website address is www.worldcolor.com. Any information or documents on our website are not, however, included in, nor shall any of such information or documents be deemed to be incorporated by reference into, this Annual Information Form.

Our Subsidiaries

The following organizational chart shows the principal subsidiaries of the Company, along with their governing jurisdiction and the Company's ownership interest in each such subsidiary. Subsidiaries whose total assets and revenues represented (a) individually, less than 10% of consolidated assets and revenues of the Company as at and for the financial year ended December 31, 2009 and (b) in the aggregate, less than 20% of consolidated assets and revenues of the Company as at and for the financial year ended December 31, 2009 have not been included.



OUR BUSINESS

Worldcolor is a commercial printer that provides high-value, complete market solutions, including pre-print, print and post-print services to leading retailers, branded goods companies, cataloguers and publishers of magazines, books, directories and other printed media. With a presence in North American and Latin American countries (which, for the purposes of this Annual Information Form, include Mexico), Worldcolor is able to serve customers on a regional, national and international basis.

Worldcolor operates in a dynamic, highly fragmented and competitive printing industry and has established market-leading positions in the segments that it serves through a combination of building long-term partnerships with the world's leading print media customers, investing in key strategic technologies and expanding the scope of its product offerings and geographical presence through strategic acquisitions. The customers of Worldcolor include many of the largest publishers, retailers and cataloguers in the geographic areas in which it operates. With respect to retail inserts, Worldcolor's customers include CVS Caremark Corporation and Wal-Mart Stores Inc. Worldcolor prints catalogues for customers such as Bass Pro Shops Canada, Inc. and Limited Brands Inc. (Victoria's Secret).

Worldcolor's book publishing customers include Harlequin Enterprises Limited, The McGraw-Hill Companies, Inc., Pearson Education Inc., Simon & Schuster, Inc., The Reader's Digest Association Ltd. and Thomas Nelson, Inc. Worldcolor prints magazines for publishers including Hachette Filipacchi Media U.S., Inc., Source Interlink Media, LLC, The Reader's Digest Association Ltd. and Wenner Media LLC. Worldcolor's directories customers include Dex One Corporation, Yellow Book USA, Inc. and Yellow Pages Group Limited.

As at the date of this Annual Information Form, the Company, together with its corporate office located in Montreal, Quebec, Canada, has 80 printing, distribution and office facilities located in North America and Latin America. In the United States, Worldcolor is the second largest commercial printer with 57 facilities in 26 states. The Company is the second largest commercial printer in Canada with 15 premises in five provinces through which the Company offers a diversified mix of printed products and related value-added services to the Canadian and international markets. The Company is also a leading commercial printer in Latin America, with eight facilities in Argentina, Brazil, Chile, Colombia, Mexico and Peru.

Overview of Our Industry

Commercial printing is a highly fragmented industry, and, in particular, the North American and Latin American printing industries are very competitive. The 400 largest printers represent approximately 35% of the overall market, according to the Printing Impressions PI400 and the Printing Industries of America/Graphic Arts Technical Foundation (PIA/GATF) 2008 Print Market Atlas. Printing is one of the largest industries in the United States, with more than 640,000 employees and nearly 30,000 firms generating an estimated $168 billion in annual sales, according to PIA/GATF 2008 Print Market Atlas. According to the PIA/GATF 2008 Print Market Atlas, the U.S. general commercial printing sector is estimated to generate approximately $79 billion in sales annually.

Commercial printers tend to compete based on a number of factors including price, quality, range of services offered, distribution capabilities, customer service, availability of printing time on appropriate equipment and state-of-the-art technology. Very small competitors may be limited to servicing customers for a specific product category within a regional market. Mid-size to large commercial printers with greater geographic coverage, such as us, have the ability to serve national and international customers across multiple print service categories.

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, we believe that the value and role of printed media should continue to play a strong role in marketing, advertising and publishing because, in our view, print media is an efficient and effective vehicle to market and advertise products. We believe that in a multichannel marketing strategy, print should continue to play a key and important role. We further believe that a significant percentage of the purchases over the internet are based upon a buying decision based upon a catalogue or retail insert, and that print plays a synergistic role with many of the new technologies.

Description of Business

We operate in the commercial printing segment of the printing industry and our business segments are located in two main geographical regions: North America and Latin America.

North America

In the United States, Worldcolor is the second largest commercial printer with 57 facilities. The Company is a leader in the printing of books, magazines, directories, retail inserts, catalogues and direct mail.

The Company is the second largest commercial printer in Canada. It offers publishers and retailers a coast-to-coast manufacturing platform of 14 facilities so customers are able to print closer to the end user, reducing distribution costs and cycle times. The Company 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 Corporation, Limited, RONA Inc., Canada Wide Media Limited, The Jean Coutu Group (PJC) Inc., Dell Canada, Inc., Best Buy Canada Ltd., Staples, Inc. and The Home Depot, Inc.

Latin America

The Company is a leading commercial printer in Latin America with eight facilities operating 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 Company provides a digitally linked network of facilities. The Company'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. Customers include, among others, Santillana, Carvajal, Falabella, Telmex, Editora Abril, YELL, Televisa, Wal-Mart Stores Inc. and Thomas Nelson Inc.

Print Services

The Company carries out international commercial printing operations, and offers to its customers a broad range of print and related communication services such as Marketing Solutions (retail inserts, catalogues and direct mail), Publishing Services (magazines, books and directories) and Logistics-Premedia (logistics, pre-media and other value-added services).

Revenues by print service are as follows (dollar figures are in millions):

	Worldcolor		QWI					
	Five months ended December 31, 2009		Seven months ended July 31, 2009		Year ended December 31, 2008		Year ended December 31, 2007	
Marketing Solutions	$ 627	46.9%	$ 742	42.8%	$1,867	46.4%	$2,279	49.0%
Publishing Services	$ 566	42.3%	$ 810	46.7%	$1,685	42.0%	$1,842	39.6%
Logistics, Premedia and Other	$ 144	10.8%	$ 183	10.5%	$ 465	11.6%	$ 534	11.4%
Total	***$1,337***	***100.0%***	***$1,735***	***100.0%***	***$4,017***	***100.0%***	***$4,655***	***100.0%***

Retail Inserts

Our major retail insert customers include some of the largest retailers in North America and Latin America, such as CVS Caremark Corporation and Wal-Mart Stores Inc. We believe that we are a leading retail insert printer in North America.

Catalogues

We are one of the largest printers of catalogues in the United States. Our catalogue customer base includes Bass Pro Shops Canada, Inc. and Limited Brands Inc. (Victoria's Secret). We offer 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 our customers to vary catalogue content to meet their customers' demographic and purchase patterns. Our geographic reach also allows us to offer our customers one-stop shopping for all of their catalogue needs.

Direct Mail

We are a U.S. industry leader in direct mail production. Two of our facilities, located in Atlanta, Georgia and Effingham, Illinois, are direct mail facilities that provide complete direct mail production services from the data programming stages through to bulk mailing. We 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. Our sophisticated inkjet imaging technology allows us 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, we have 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 our highly complex in-line imaging capability, we can provide clients with more targeted and personalized marketing vehicles.

Books

We are a North American industry leader in U.S. book manufacturing. We print books for many of the world's leading publishers, including Harlequin Enterprises Limited, The McGraw-Hill Companies, Inc., Pearson Education Inc., Simon & Schuster, Inc., The Reader's Digest Association Ltd. and Thomas Nelson, Inc. We are an industry leader in the application of new technologies for book production, including electronic pre-media, information networking and digital printing. The Company serves more than 500 book publishing customers internationally.

In keeping with our full-service approach, we also provide 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

We are one of the leading printers of consumer magazines in the United States. We print more than 1,000 magazine titles, including industry leading titles such as *Elle* for Hachette-Filipacchi Media U.S., Inc., *Maxim* for Alpha Media, *Motor Trend*, *Automobile*, *Hot Rod*, *Surfing*, *Soap Opera Weekly* and *Power & Motoryacht* for Source Interlink Media, LLC, *The Family Handyman* and *Weekly Reader* for The Reader's Digest Association Ltd., *Forbes* for Forbes, Inc., *ESPN The Magazine* for Walt Disney Co., *In Touch Weekly* for Bauer Publishing, and *Rolling Stone*, *US Weekly* and *Men's Journal* for Wenner Media LLC. We operate an international print platform with operations in the United States, Canada and Latin America. We also produce magazine titles such as *Fortune, Money, Southern Living, Cooking Light, Coastal Living* and *People en Español*.

We have invested in pre-media and post-press technology to enhance our ability to service this market by providing publishers with before and after print services. Our co-mailing and other logistics services help publishers reduce costs and improve distribution. Our facilities have selective-binding and ink-jet-imaging capabilities and can utilize our mail analysis system capabilities for the production of medium to long-run magazines.

Directories

Based on an analysis of printed pages for each of the large directory publishers and their respective printers, Worldcolor is the largest printer of directories in Canada and Latin America and the second largest printer of directories in the United States. We print directories for some of the largest directory publishers in the world, including Dex One Corporation, Yellow Book USA, Inc., in the United States and the Yellow Pages Group Limited.

Pre-Media Services

We are 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. Our specialized digital and pre-media facilities, which are strategically located close to and, in certain cases, onsite at, customers' facilities, provide our customers high-quality, 24-hour preparatory services linked directly to our various printing facilities. In addition, our computer systems enable us to electronically exchange both images and textual material directly between our facilities and our customers' business locations. We believe that our integrated pre-media operations provide us with competitive advantages over traditional pre-press shops that are not able to provide the same level of integrated services. Our pre-media services bring together the full range of digital technologies and pre-media assets within our corporate group that allows us to focus on providing a more comprehensive range of solutions to our customer base.

Logistics Services

Other value-added services, including mail list, shipping and distribution expertise, ink-jet personalizing, customer-targeted binding and creative services, are increasingly demanded by our customers.

We provide logistics and mail list services for both ourselves as well as third-party customers, and we manage distribution and mailing services for catalogues, direct mail, magazine (subscriber copies and newsstand), newspaper inserts, books and bulk printed products. We use scale to consolidate volume and a comprehensive menu of electronic tracking options to efficiently plan all deliveries. Additionally, we provide customized, flexible mailing strategies based on customers' specific in-home delivery requirements.

Our Employees

As of February 10, 2010, we employed approximately 16,000 people in Canada and the United States, of which approximately 34% are represented by a labour organization. The Company had 36 collective bargaining agreements in Canada and the United States as of February 10, 2010. As of February 10, 2010 the Company employed approximately 2,400 people in Latin America, the majority of which are either governed by agreements that apply industry-wide, by a collective agreement or through works councils or similar arrangements.

Property, Plants and Equipment

Our corporate offices, comprising 38,161 square feet, are located in a leased space at 999 de Maisonneuve Boulevard West, Montreal, Quebec, Canada, H3A 3L4. We own or lease 57 facilities in the United States, 15 premises in Canada (including the corporate head office) and eight facilities in Latin America. Many of these facilities have multiple buildings and warehouses. Our facilities occupy approximately 17.2 million square feet of premises in the United States, approximately 2.1 million square feet in Canada and approximately 1.3 million square feet in Latin America.

The following table summarizes the locations of our printing, distribution and office 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	57
Canada	
Alberta, British Columbia, Nova Scotia, Ontario and Quebec	15(1)
Latin America	
Argentina, Brazil, Chile, Colombia, Mexico and Peru	8
Total:	80

(1) Including the corporate head office located in Montreal, Canada.

Manufacturing and Technology

Description of Manufacturing Processes and Equipment

We use a variety of printing processes to meet our customers' needs, utilizing a mixture of established and modern technologies to provide them with end-to-end solutions across both printed and electronic media. Technological advances have increased both the speed and efficiency of traditional printing processes, but most importantly have integrated print into a larger offering encompassing various parts of the internet, such as email and micro sites, and non-traditional printing processes, such as inline co-mailing.

Through the use of digital pre-media, the internet, and our own network we are able to link our manufacturing processes, whether print or new media, across our platform. This allows the customer to benefit from high speed, efficiency and accuracy in our manufacturing processes, while we are able to locally deliver the product to the customer's desired end-use markets.

Technology

We cooperate with large suppliers in the area of research and development of new printing technologies, materials and processes. Our capital-improvement programs include adding, replacing and upgrading existing equipment. We may re-allocate, re-purpose, move and de-commission a certain number of our presses with a view to maximizing the efficient use of our equipment and technology.

Pre-media has continued to adapt to ever changing technology advancements and embrace web-enabled digital workflows as part of our 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. We have deployed content management systems and services to bridge the information to multiple media channels. We have 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. Migration to a complete portable data format, also known as PDF, simplifies and standardizes the process. We also believe that we have established one of the industry's most efficient virtual private data communications network (or VPN), capable of transmitting customer files from our 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.

We were 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 do conventional tabloid presses. We have also invested in new and emerging digital and web-based technologies to improve services, reduce costs and expand our range of products.

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

Sales and Marketing

Our sales and marketing activities are highly integrated and reflect an increasingly international approach to meeting customers' needs that 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 our network. This enables the customer to coordinate simultaneous printing throughout our network through one sales representative and larger customers to centralize the purchase of printing services.

Purchasing and Raw Materials

The principal raw materials used in our products are paper and ink. In 2009, we spent approximately $1.0 billion on raw materials. We exercise our purchasing power to obtain pricing, terms, quality, quality control and service in line with our status as one of the largest industry customers.

For most of our purchases, we negotiate with a limited number of suppliers to maximize our purchasing power, but we do 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 our 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.

We take pride in offering world-wide procurement services to our customers. We believe that our global procurement practices provide us with a competitive advantage, which allows us to reduce administrative costs, standardize procurement and provide customers with assured supply at attractive prices.

Competitive Environment

The commercial printing business is highly competitive. Industry analysts consider most of the industry's markets to have excess capacity, and competition is significant as the industry is still in the process of consolidating. Competition is based on a number of factors including price, quality, range of services offered, distribution capabilities, customer service and availability of printing time on appropriate equipment.

Seasonality of Our Business

Operations in the print business follow a seasonal pattern, with the majority of our historical operating income during the past five financial years being realized in the second half of the financial year, primarily due to the higher number of magazine pages, new product launches and back-to-school, retail and holiday catalogue promotions.

Government Regulations – Environment

We are 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 the generation, storage, transportation and disposal of solid waste and to releases of various substances into the environment, including air emissions and wastewater discharges. We believe we are in compliance with applicable laws and requirements in all material respects.

We are also subject to various laws and regulations which allow regulatory authorities to compel (or seek reimbursement for) the cleanup of environmental contamination at our own sites and at off-site facilities where waste is or has been disposed of. We have 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 becomes known. We believe the provision is 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.

We expect 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, we have been engaged in discussions with the U.S. Environmental Protection Agency concerning compliance with the Stratospheric Ozone Protection provisions of the U.S. federal *Clean Air Act* found at 40 CFR Part 82 which regulate the use of chlorofluorocarbons (CFCs) and hydro chlorofluorocarbons (HCFCs) that are used as refrigerants at many of our facilities. Those discussions have culminated in a verbal agreement that is expected to lead to a written agreement that would result in increased capital and costs. Among other things, the Company has agreed to replace, retrofit or retire most of the regulated refrigeration appliances at the U.S. plants. However, we do not anticipate that maintaining compliance with these or other existing environmental requirements will have a material adverse effect upon our competitive or consolidated financial position.

We believe we have internal controls and personnel dedicated to compliance with all applicable environmental laws and that we provide for adequate monitoring and management of the environmental risk related to our operations. As of the date of this Annual Information Form, we believe that there are no new environmental matters (environmental incident, promulgation of new environmental laws and regulations, soil and groundwater contamination discovery, etc.) to be reported that could have a material impact on our operations.

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GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

Events Leading Up to the Proceedings

In the last several years, QWI's financial performance suffered 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 was aimed at upgrading QWI'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, to improve its efficiency and reduce costs. As part of the retooling program, QWI also closed, announced the closure of, or sold a total of, 27 facilities. By consolidating operations 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 QWI'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, QWI installed 20 new presses in its U.S. facilities. During this period, QWI permanently decommissioned 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, QWI 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, QWI repurchased certain outstanding notes that were sold in private placement transactions to various investors to avoid breaching certain financial covenants, while also facing a reduction in amounts available under its syndicated credit facilities. These factors had a significant impact on QWI, and, accordingly, adversely affected its operations and financial position.

As a result of the unsuccessful efforts to obtain new financing due mainly to adverse financial market conditions and an inability to conclude a proposed sale of its European operations, as well as continued operational demands, by mid-January 2008, QWI was experiencing a severe lack of liquidity.

On January 21, 2008 (the "Filing Date"), QWI obtained an order from the Quebec Superior Court granting creditor protection under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") for itself and 53 U.S. subsidiaries (the "U.S. Subsidiaries" and, collectively with QWI, the "Applicants"). On the same date, the U.S. Subsidiaries filed a petition under Chapter 11 of the Bankruptcy Code ("Chapter 11") in the U.S. Bankruptcy Court for the Southern District of New York (the "U.S. Bankruptcy Court"). The proceedings under the CCAA and the proceedings under Chapter 11 are hereinafter collectively referred to as the "Proceedings". QWI's Latin American subsidiaries were not subject to the Proceedings.

Events During the Proceedings

An immediate effect of the Proceedings was the imposition of a 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 QWI and the continuation of litigation against it.

On January 21, 2008, QWI entered into a senior secured superpriority debtor-in-possession credit agreement (the "DIP Credit Facility") between it and Quebecor World (USA) Inc. ("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, National Association, as documentation agent, and the initial lenders and the other lenders party thereto. The DIP financing was comprised of both a revolving credit facility with sub-facilities for Canadian dollar borrowings, swing line loans (i.e. portions of the facility which the borrower may access in a more expedient manner) and issuance of letters of credit for an aggregate maximum commitment of the DIP lenders of $400 million, bearing interest at variable rates and a $600 million term loan, bearing interest at variable rates.

In June 2008, QWI decreased its number of business divisions in the U.S. from six to three and eliminated redundant positions to allow it to better serve existing and new customers through more streamlined and customer-driven operations. On June 16, 2008, QWI merged its U.S. Retail Insert, Catalogue, Sunday Magazine and Direct Mail divisions into a new integrated U.S. 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. As a result, the U.S. Marketing Solutions Group produced 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 allowed QWI to improve its operational efficiency and enhance its integrated product offering to all its customers.

On June 17, 2008, QWI 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 streamlined its operations and improved services to better serve existing and new publishing customers.

The enhanced U.S. operating structure comprising the three divisions – the U.S. Marketing Solutions Group, Publishing Services Group and Pre-Media and Logistics Group – resulted 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.

On June 26, 2008, QWI completed the sale of its European operations to Hombergh/De Pundert Group ("HHBV"), a subsidiary of Hombergh Holdings B.V. ("HHBV"), since renamed CirclePrinters Holding B.V., a Netherlands-based investment group. At the time QWI sold its European operations, they consisted of 16 printing and related facilities employing approximately 3,500 people in Austria, Belgium, Finland, France, Spain and Sweden producing magazines, catalogues, retail inserts, direct mail products, books and directories. In consideration for the assets sold, QWI 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. As a result of the divestiture, the Company has been able to remain focused on its core business in the Americas and reduce the operational risks associated with the uncertainty of the long-term profitability of its European operations.

In addition to the sale of its European operations, during the course of its reorganization, QWI continuously reviewed its business to seek ways to enhance its operating efficiency, consolidate operations and dispose of unnecessary or underutilized assets. For example, during the Proceedings, QWI sold a property at 2325 Dandurand, Montreal, Canada, for $1,200,000 in connection with the closure of the operations at that facility. In addition, on August 18, 2008, QWI sold its property at 975 Gladstone Avenue, Ottawa, Canada, to Broccolini Construction (Ontario) Inc. for $3,350,000. For some years prior to the sale, QWI had not been using the Ottawa facility for its operations.

QWI also undertook various restructuring initiatives to ensure that its facilities were 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. QWI reduced its workforce in most of its facilities, including its corporate offices, to align itself with current market conditions.

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

- freezing the salaries of all non-unionized North American employees effective January 1, 2009, suspending employer's contributions to the 401(k) plans of non-unionized U.S. employees effective February 1, 2009 and reducing senior management salaries by 5%;
- implementing a significant cost reduction plan in North America, effective April 19, 2009 and expected to be completed by the end of 2010. This plan includes a 10% wage reduction for non-unionized salaried and hourly employees (including sales commissions), a reduction of employees' paid vacation entitlement by one week, suspension of the employer's contributions to the 401(a) plans of non-unionized U.S. employees, standardization in pay for work on holidays to time-and-a-half, and changes to the Company's severance and overtime policies. In connection with the implementation of this cost savings plan, all the collective agreements were re-opened during the second quarter of 2009 and the Company obtained similar concessions from its unionized employees. The annual cost savings relating to these initiatives are estimated at approximately $100 million; and
- implementing significant profit improvement initiatives to align the Company's costs with anticipated volume decreases. Three facilities were closed in 2008, one in April 2009 and one in July 2009. Corporate and plant staff levels were reduced by more than 13% in 2008 and were reduced a further 14% in 2009.

During the Proceedings, QWI also entered into significant new customer contracts. These include the following:

- ***CVS Caremark Corporation.*** A multi-year extension of QWI's relationship with CVS Caremark Corporation, the world's largest provider of prescription medication offerings and the leading retail pharmacy with over 6,900 stores nationwide. The extension resulted in QWI continuing to produce all of the CVS retail insert program as well as incremental volume from CVS Caremark Corporation's recent acquisition of Longs Drug Stores Corp.
- ***Forbes, Inc.*** A multi-year renewal agreement between QWI and Forbes, Inc. extending a supplier relationship that has been in place for more than 25 years. Under the new agreement, the Company 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 pre-media and logistics services, providing *Forbes* with a true end-to-end service solution.
- ***Boardroom, Inc.*** A multi-year agreement between QWI and Boardroom, Inc., a Stamford, Connecticut based company. This agreement covers the printing and distribution of Boardroom, Inc.'s "Bottom Line" series of newsletters and related books and special reports and represented more than a six-fold increase in QWI's business volume with the company.

The Plan

In connection with the Proceedings, QWI developed a Canadian Plan of Reorganization and Compromise pursuant to the provisions of the CCAA (the "Canadian Plan") and the U.S. Subsidiaries developed a plan of reorganization pursuant to the provisions of the Bankruptcy Code (the "U.S. Plan" and, together with the Canadian Plan, the "Plan"). The Plan provided for the coordinated restructuring of the Applicants, the compromise of certain claims of certain of their respective creditors and a reorganization of QWI's capital structure.

On June 22, 2009, the creditors of the Applicants approved the Plan under both the CCAA and Chapter 11. On June 30, 2009, the Plan was sanctioned by the Quebec Superior Court, and was confirmed by the U.S. Bankruptcy Court on July 2, 2009. The Plan was implemented following various transactions that were completed on July 21, 2009 (the "Effective Date"). Accordingly, the Applicants emerged from bankruptcy protection and QWI was renamed and began operating as "World Color Press Inc." on the Effective Date.

The implementation of the Plan on July 21, 2009 resulted in a substantial realignment of the interests in QWI between its existing creditors and shareholders as of the Filing Date. As a result, the Company adopted fresh start accounting effective July 21, 2009 in accordance with Section 1625 "Comprehensive Revaluation of Assets and Liabilities" of the Canadian Institute of Chartered Accountants Handbook ("CICA Handbook") under Canadian Generally Accepted Accounting Principles ("GAAP"). Fresh start accounting requires resetting the historical net book value of assets and liabilities to fair value by allocating the entity's reorganization value of $1.5 billion to its assets and liabilities in a manner consistent with Section 1581 "Business Combinations" of the CICA Handbook.

Following implementation of the Plan, Worldcolor reorganized its capital structure. In this regard, the following securities have been (or will be issued) in exchange for $3.1 billion of liabilities subject to compromise:

- new Senior Guaranteed Notes of World Color (USA) Corp. ("Worldcolor USA") to be issued in a maximum aggregate principal amount of $75 million (the "Unsecured Notes"). The Company estimates that the aggregate principal amount of the Unsecured Notes to be issued will be $43 million;
- 12,500,000 new convertible Class A preferred shares ("Preferred Shares");
- 73,285,000 new common shares ("Common Shares"); and
- 10,723,019 Series I Barrier Warrants ("Series I Warrants") and 10,723,019 Series II Barrier Warrants ("Series II Warrants" and, together with the Series I Warrants, the "Warrants").

In accordance with the terms of the Plan, the Common Shares, the Preferred Shares and the Warrants were issued in escrow as of the Effective Date pending the resolution of claims. The Preferred Shares were issued with a nominal value of $8.00 per share. As of February 17, 2010, 65,230,691 Common Shares, 6,158,030 Series I Warrants and 6,158,030 Series II Warrants have been released from escrow; all of the Preferred Shares have been released from escrow.

In addition, cash payments of $100 million in satisfaction of certain claims were made to holders of QWI's senior secured debt, all of which were paid on the Effective Date. Also, the Company will make payments of approximately $60 million in connection with secured, administrative, priority tax and small convenience unsecured claims, of which $12 million was paid on the Effective Date and $3 million was paid prior to December 31, 2009.

The implementation of the Plan also involved the following refinancing transactions:

- repaying $587 million under the DIP Credit Facility; and
- entering into a new exit financing credit facility (the "Credit Facility") of $800 million consisting of a term loan of $450 million and a revolving credit facility of $350 million.

Pursuant to the Plan, on the Effective Date, QWI's then existing Multiple Voting Shares, Redeemable First Preferred Shares and Subordinate Voting Shares were cancelled for no consideration in accordance with the Articles of Reorganization that were filed with the Quebec Superior Court as one of the steps to implement the Plan.

In accordance with the Plan, claims for the recovery of amounts paid to the holders of certain senior unsecured notes and/or other creditors prior to the Filing Date as preferential or fraudulent conveyances, whether arising under the Bankruptcy Code or similar state laws, including amounts received by the Applicants on account of such claims prior to the Effective Date (such claims and amounts being collectively referred to as the "Avoidance Actions") were transferred to a trust (the "Litigation Trust") created for the benefit of creditors, as specifically provided for therein. To facilitate the implementation of the Litigation Trust, the Plan required the Company to fund a secured loan to the Litigation Trust in an amount of up to $5 million in order to pay for the costs and expenses of its administration as well as the prosecution of the Avoidance Actions. The Litigation Trust will be funded as these costs and expenses are incurred by it. The loan is secured by a pledge in favour of the Company on the Avoidance Actions and all interests thereon and other earnings, income or other assets of the Litigation Trust. The Company had funded $0.7 million of this secured loan as of December 31, 2009.

Events Following the Proceedings

In the early fall of 2009, Worldcolor announced that it had expanded its co-mail platform by opening an additional facility in Dyersburg, Tennessee, representing Worldcolor's third strategically located co-mail facility in North America. Our trio of facilities in Tennessee, Illinois and New Jersey form a regionally focused platform that reduces costly cross-country freight, increases processing capacity and boosts the overall efficiency of our co-mail network. By creating three regionally located co-mail facilities in the Midwest, Northeast and Midsouth, we are able to shift co-mail capacity closer to customers' target markets. This expanded platform offers many benefits to Worldcolor customers, including greater postal penetration, reduced cycle time and greater scheduling flexibility. Worldcolor believes that it is an industry leader in co-mail capacity with nine SIM Products' co-mail machines in all.

In late October 2009, Worldcolor and Mark Logic Corporation, a leading provider of software for information applications, announced the launch of a new online service: the Worldcolor Custom Publishing Engine. Based on the award-winning MarkLogic Server, the application allows publishers to repurpose existing content into new, targeted publications. This improves speed to market and meets the publishing industry's need for a digital solution that drives new revenues.

On November 24, 2009, the U.S. Marketing Solutions Group, the U.S. Publishing Services Group and our Canadian manufacturing operations were joined into one North American operation. This new structure is designed to streamline our operations to better serve our customers and to optimize the cost structure of our North American business. The restructuring is expected to result in further synergies, shared resources and faster decision-making to serve our customers on a North American-wide basis.

To better align our costs with current market conditions, in December 2009 we completed the closure of our Dallas, Texas and Olive Branch, Mississippi facilities.

Since the Effective Date, Worldcolor also entered into new, significant customer contracts, including the following:

- ***ESPN The Magazine.*** A multi-year agreement between Worldcolor and *ESPN The Magazine* to continue printing *ESPN The Magazine* into the next decade. *ESPN The Magazine* is a bi-weekly sports news magazine with a rate base circulation of more than two million and a total audience readership of more than 14 million. It has been one of the fastest growing high-circulation magazines over the last five years.
- ***USA WEEKEND.*** A multi-year contract extension between Worldcolor and long-time customer, USA WEEKEND. Under the terms of this agreement, Worldcolor will continue to produce the majority of USA WEEKEND's weekly Sunday magazine through October 2015, extending a 24-year relationship. Worldcolor has produced USA WEEKEND Sunday magazine each week since 1985.

- ***Macmillan Publishers, Inc..*** A multi-year agreement between Worldcolor and Macmillan Publishers, Inc.'s New York-based U.S. operations involving the printing, over the term, of approximately 800 million major trade bestsellers, textbooks and mass market (paperback) books, based on current projections. Also included in the agreement are related warehousing and distribution services. The contract, which is one of the largest book printing agreements in North America, renews and expands a long-running service relationship with the publisher, whose signature imprints include many of the best known names in book publishing such as St. Martin's Press, LLC, Farrar Straus & Giroux Inc., Henry Holt & Co., Inc., Tor Books, Forge Books, Bedford/St. Martin's, and W.H. Freeman and Company and Worth Publishers Inc.

Outlook

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

Despite an uncertain economic environment, it is expected that volume levels, which recently dropped (mostly following the North American recession) will stabilize in 2010. However, 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, we are focusing on improving our product and segment mix, adding customer value through initiatives such as our new integrated multi channel solutions and our innovative custom publishing engine, and improving productivity through continuous improvement projects and technology. We are also aggressively aligning our cost structure to mitigate the impact of the economic downturn as outlined above.

Although Latin America also has been affected by the global economic weakness, with current and planned investments in new capacity, this segment's revenues are forecast to increase in line with expected growth from an existing customer base.

In January and February of 2010, the Company approved restructuring initiatives related to the closure of four North American facilities. The closures are expected to be completed within the first half of 2010.

On January 25, 2010, Quad/Graphics, the largest privately-held printer in the United States, and Worldcolor entered into a definitive Arrangement Agreement pursuant to which, subject to the terms and conditions set forth therein, Worldcolor will amalgamate with a subsidiary of Quad/Graphics. The expanded Quad/Graphics will have nearly 30,000 employees serving customers in the United States, Canada, Latin America and Europe. The Quad/Graphics Transaction is expected to close in the summer of 2010. Its completion is conditional on, among other things, shareholder approvals of Worldcolor and Quad/Graphics and regulatory and court approvals.

OUR DIRECTORS AND OFFICERS

Our Directors

The Board of Directors of the Company is responsible for supervising the management of the Company's business and affairs, with the objective of increasing shareholder value. The Board is responsible for the sound governance of the Company and, as such, must effectively and independently supervise the activities and business of the Company which are conducted on a daily basis by management. The Board may delegate certain tasks to its committees. Such delegation does not relieve the Board from its overall responsibilities with regard to the management of the Company.

Our Board of Directors is currently composed of eight members. The term of office of each director expires upon the election of his successor unless the director resigns from office or his office becomes vacant by death, removal or other cause. The following table sets forth, as at March 1, 2010, the name, place of residence and principal occupation of each director, the year of the director's appointment and the committees on which the director serves as a member.

The following information has been provided to us by the persons concerned.

Name, Place of Residence and Committee	Principal Occupation and Position with Worldcolor	Director Since
Mark Alan Angelson New York, United States	Chairman of the Board, Worldcolor Chief Executive Officer, Worldcolor	2009
Michael Brennan Allen(HRCC) Illinois, United States	Corporate Director	2009
Raymond John Bromark(AC) Florida, United States	Director, CA, Inc. (computer software corporation) Chairman of the Audit Committee, Worldcolor	2009
Gabriel de Alba(AC) Ontario, Canada	Managing Director and Partner, Catalyst Capital Group Inc. (private equity investment firm)	2009
James Joseph Gaffney(AC) California, United States	Corporate Director	2009
Jack Kliger(HRCC) New York, United States	Consultant, *TV Guide Magazine* and OpenGate Capital (private equity investment firm)	2009
David Lyman McAusland(AC) Quebec, Canada	Partner, McCarthy Tétreault LLP (law firm)	2009
Thomas O'Neal Ryder(HRCC) Connecticut, United States	Corporate Director Chairman of the Human Resources and Compensation Committee, Worldcolor	2009

(AC) Member of our Audit Committee.

(HRCC) Member of our Human Resources and Compensation Committee.

Below is a brief biography of each of our directors:

- ***Mark A. Angelson.*** Mr. Angelson is a seasoned executive who, over the course of his distinguished career, has led numerous combinations in the printing industry. Prior to joining us on September 7, 2009, Mr. Angelson spent over a year and a half as the Chairman of MidOcean Partners, LP, an investment firm. As Chief Executive Officer of R.R. Donnelley & Sons Company ("R.R. Donnelley") from 2004 through 2007, he led the effort that transformed the industry, combining R.R. Donnelley and other leading firms in the Americas, Europe and Asia to create the world's largest provider of printing and related services. Under his stewardship, R.R. Donnelley enjoyed dramatic growth in its revenue, profit and shareholder value. Prior to leading R.R. Donnelley, Mr. Angelson served variously as Chief Executive Officer, Chairman and Lead Independent Director of Moore Corporation Limited and Moore Wallace Incorporated. He was a principal architect of the merger between R.R. Donnelley and Moore Wallace Incorporated and the earlier merger of Moore Corporation Limited and Wallace Computer Services, Inc. Previously, Mr. Angelson served in various capacities, including as Deputy Chairman, at Big Flower Press, Inc., now known as Vertis, Inc.

- ***Michael B. Allen.*** Before joining the Board of the Company on July 21, 2009, Mr. Allen acted as the Chief Executive Officer of Leveler, L.L.C. from December 2007 until May 2009. During the three years prior to leading Leveler L.L.C., Mr. Allen was the President, Print Sector of Banta Corporation, a provider of printing, supply chain management and related services that was acquired by R.R. Donnelley on January 9, 2007. From 2001 to 2003, Mr. Allen acted as Executive Vice President at R.R. Donnelley, where he had held various positions since 1982.

- ***Raymond J. Bromark.*** In addition to serving on our Board and acting as Chair of our Audit Committee, Mr. Bromark is a Director and the Chairman of the Audit Committee of CA, Inc., a computer software company. He is also a member of the advisory board of the University of Delaware's John L. Weinberg Center for Corporate Governance. Previously, Mr. Bromark was a partner at PricewaterhouseCoopers LLP ("PwC") for 26 years. Prior to retiring from the firm in June 2006, Mr. Bromark acted as Deputy Vice Chairman Auditing and Business Advisory Services for the U.S. firm, was the global engagement partner responsible for reporting on the financial statements of EI DuPont de Nemours & Co. and led the firm's Professional, Technical, Risk and Quality Group. From July 2006 to April 2007, Mr. Bromark served as a consultant to PwC. Mr. Bromark has spoken extensively on the future of external business reporting, corporate governance and Section 404 of the U.S. *Sarbanes-Oxley Act*.

- ***Gabriel de Alba.*** Mr. de Alba is the Managing Director and Partner of the Catalyst Capital Group Inc., a private equity fund focused on distressed and turnaround opportunities. In addition to serving on our Board, Mr. de Alba is the Chairman of the board of Therapure Biopharma Inc. and Richtree Market Restaurants, Inc. Mr. de Alba acted as Chairman and Chief Executive Officer of Cabovisâo S.A., an innovator in launching cable triple services in Europe and as President and Secretary of Cable Satisfaction International Inc. Mr. de Alba has led several other turnaround and activist investments including AT&T Canada Inc., AT&T Latin America Corp., Call-Net Communications Inc., Stelco Inc., CVRD Finance Ltd. and IMAX Corporation. Mr. de Alba is fluent in five languages and has a double Bachelor in Finance and Economics with Honors from New York University Stern School of Business, a Master of Business Administration from Columbia University and has completed graduate studies in Mathematics and Computer Science at Harvard University.

- ***James J. Gaffney.*** Mr. Gaffney is an experienced executive who sits on the boards of several public and private companies. Since 2004, Mr. Gaffney has served as a director of Beacon Roofing Supply Inc., where he is currently the Chair of the Compensation Committee and a member of the Governance Committee. Since 2006, he has sat on the board of Armstrong World Industries, where he is the Chairman of the Governance Committee and a member of the Compensation Committee. For the past nine years, he has served as a director of Imperial Sugar Co., where he is currently the Chairman of the board. Since 1998, he has been a director of Pool Corp., and is at present a member of its Audit Committee and Chairman of its Governance Committee. Previously, Mr. Gaffney served as Chief Executive Officer and Chairman of the board of General Aquatics, Inc., and in that capacity negotiated the sale of the company in May 1997 to a publicly-traded company.

- ***Jack Kliger.*** Mr. Kliger is an executive with over 35 years of experience in the magazine publishing industry. He began a 20-year career with Advance Publications, Inc. ("Advance") in 1980, when he accepted a position with *GQ Magazine*. During his career at Advance, he acted as publisher of *GQ Magazine*, publisher of *Glamour* magazine and in 1993 was promoted to the position of Executive Vice President of Conde Nast Publications, Inc. In 1997, he was appointed to the post of Executive Vice President of Parade Publications, Inc. the largest revenue publication at Advance. From 2005 to 2009, he was the President and Chief Executive Officer of Hachette Filipacchi Media U.S., the fifth largest magazine publisher in the United States. During that time, Mr. Kliger served as the Chairman of the Magazine Publishers of America. Since leaving Hachette Filipacchi Media U.S., he has acted as a consultant to *TV Guide Magazine* and to OpenGate Capital, a private equity investment firm.

- ***David L. McAusland.*** Mr. McAusland is a senior corporate lawyer and strategic advisor who practised law for over 20 years at a prominent Montreal law firm before joining Alcan Inc. in 1999, where he held various senior executive positions until 2008, including Executive Vice-President, Corporate Development and Chief Legal Officer. At Alcan Inc., he led a multi-country team that completed more than 75 acquisition and divestiture transactions, as well as complex joint ventures around the world. After leaving Alcan Inc., he acted as a business consultant, joining McCarthy Tétrault LLP as a partner in 2009. Currently, Mr. McAusland acts as a director of Cogeco Inc., Cogeco Cable Inc., Cascades, Inc., Equinox Minerals Ltd. and Khan Resources Inc. Mr. McAusland is the Chairman of the Foundation of the National Circus School, a director of Centraide of Greater Montreal and a director for the Montreal General Hospital Foundation.

- ***Thomas O. Ryder.*** Mr. Ryder, our lead independent director, was Chairman of The Reader's Digest Association Ltd. from April 1998 to December 2006 and Chief Executive Officer of the company from April 1998 to December 2005. Prior to joining The Reader's Digest Association Ltd., Mr. Ryder served in a number of key executive roles at American Express, including President of the American Express Publishing Company and President of American Express Worldwide Publishing and Direct Marketing Businesses. In 1990, Mr. Ryder became President of Establishment Services Worldwide for American Express and subsequently ran one of the company's largest businesses as President of American Express Travel Related Services Co. (International) Inc. Mr. Ryder is a former Chairman of the Magazine Publishers of America and a former board member of the Association of American Publishers and Direct Marketing Association. He is currently a member of the board of Amazon.com Inc. and is the Chairman of the Audit Committee of Starwood Hotels and Resorts Worldwide Inc.

Our Senior Officers

The following table shows the names of our senior officers, their places of residence and their positions within the Company as at March 1, 2010.

Name and Place of Residence	Position with Worldcolor/Principal Occupation
Mark A. Angelson New York, United States	Chairman of the Board and Chief Executive Officer
Andrew P. Hines New Jersey, United States	Executive Vice President and Chief Financial Officer
John V. Howard Colorado, United States	Executive Vice President and Chief Legal Officer
Ben Schwartz Quebec, Canada	Executive Vice President, Human Resources
Robert L. Sell Connecticut, United States	Executive Vice President and Chief Information Officer
Brian Freschi Minnesota, United States	President, North America
Guy Trahan Buenos Aires, Argentina	President, Latin America
Dan Scapin New Jersey, United States	President, Logistics and Premedia
Philippe Cloutier Quebec, Canada	President, Canada
David Blair Ontario, Canada	Senior Vice President, Operations, Technology and Continuous Improvement
Lorien O. Gallo New Jersey, United States	Senior Vice President, Office of the Chairman
Sylvain Levert Quebec, Canada	Senior Vice President, Corporate Services
Jo-Ann Longworth Quebec, Canada	Senior Vice President, Chief Accounting Officer

All of our officers have held the positions and principal occupations indicated above for the past five years, except as otherwise indicated below:

- ***Mark A. Angelson.*** Chairman of the Board and Chief Executive Officer. Mr. Angelson is a seasoned executive who, over the course of his distinguished career, has led numerous combinations in the printing industry. Prior to joining us on September 7, 2009, Mr. Angelson spent over a year and a half as the Chairman of MidOcean Partners, LP, an investment firm. As Chief Executive Officer of R.R. Donnelley & Sons Company from 2004 through 2007, he led the effort that transformed the industry, combining R.R. Donnelley and other leading firms in the Americas, Europe and Asia to create the world's largest provider of printing and related services. Under his stewardship, R.R. Donnelley enjoyed dramatic growth in its revenue, profit and shareholder value. Prior to leading R.R. Donnelley, Mr. Angelson served variously as Chief Executive Officer, Chairman and Lead Independent Director of Moore Corporation Limited and Moore Wallace Incorporated. He was a principal architect of the merger between R.R. Donnelley and Moore Wallace Incorporated and the earlier merger of Moore Corporation Limited and Wallace Computer Services, Inc. Previously, Mr. Angelson served in various capacities, including as Deputy Chairman, at Big Flower Press, Inc., now known as Vertis, Inc.

- ***Andrew P. Hines.*** Executive Vice President and Chief Financial Officer. Mr. Hines' career has included senior positions at a number of major public and private companies and extensive turnaround, interim management and performance enhancement assignments for premier equity and distressed debt investors. Mr. Hines served as managing partner of Hines & Associates LLC, a restructuring and financial management advisory firm, from January 2005 until becoming our Chief Financial Officer on December 1, 2009. Mr. Hines was a senior financial officer at RJR Nabisco, Inc. at the time of its acquisition by Kohlberg Kravis Roberts & Co., and helped raise $25 billion in debt and equity to fund the transaction. As a senior member of that management team, he participated in acquisitions and mergers that ultimately resulted in the creation of one of the world's largest companies. Subsequently, he participated in the successful rebuilding of Adidas, where he has served as Chief Operating Officer and Chief Financial Officer. The company is now public and the largest athletic footwear and apparel company in the world. Mr. Hines, a Certified Public Accountant, began his distinguished career in public accounting with PwC, where he had responsibility for manufacturing, retail and publishing industry clients. He served with the U.S. Marine Corps and graduated from St. John's University. He is a member of American Institute of Certified Public Accountants, Certified Public Accountants of New York State, Financial Executive International and The New Jersey Tooling and Manufacturing Association. He is the Audit Committee Chairman of HUGHES Telematics Inc.

- ***John V. Howard.*** Executive Vice President and Chief Legal Officer. Mr. Howard is a seasoned executive with over 22 years of experience working with global technology, manufacturing and media businesses. Mr. Howard held a number of senior positions at Vertis, Inc., including Chief Legal Officer and Secretary and Senior Vice President and General Manager Digital Solutions Group. While at Vertis, Inc. he worked on the management team that successfully merged Vertis, Inc. and American Color Graphics Inc. in its first of a kind pre-packaged bankruptcy. His restructuring experience also includes serving on more than a hundred General Growth Properties Special Purpose entities in its ongoing restructuring. He also has served as Global Intellectual Property Counsel at Andersen Worldwide and Senior Counsel at Quark, Inc., a leading desktop publishing software firm.

- ***Ben Schwartz.*** Executive Vice President, Human Resources. Mr. Schwartz has served as our Executive Vice President, Human Resources (or Senior Vice President, People and Leadership) since October 2007. Prior to joining our company, he was Vice President, Corporate Human Resources and Global Rewards of Molson Coors Brewing Company in Denver, Colorado, a position he had held since 2005. From 2004 until 2005, he was Vice President, Human Resources (Corporate) of Molson Inc. and Molson Coors Brewing Company, in Montreal, Quebec, Canada. From 2002 until 2004, Mr. Schwartz was Corporate Vice President, Global Compensation and Benefits of Molson Inc. He was Corporate Director, Human Resources of Pratt & Whitney Company Canada from 1996 until 2002, and Director, Human Resources of CAE Electronics Ltd. (Canada) from 1993 until 1996.

- ***Robert L. Sell.*** Executive Vice President and Chief Information Officer. Mr. Sell has extensive experience in design, development, operations, maintenance and integration of systems and enabling technologies across multiple business locations and industries. Prior to joining us in September 2009, he was the Chief Information Officer at Affinion Group, Inc., a marketing services company, for three years. From August 2003 to December 2005, he served in a similar capacity for Eaton Corporation. He has also been the Chief Information Officer at Moore Corporation, Moore Wallace Inc., Coors Brewing Co. and Brunswick Corp.

- ***Brian Freschi.*** President, North America. Mr. Freschi, who is responsible for all division manufacturing, sales and marketing operations in the United States, has more than 20 years of management experience in the graphic arts industry. He joined Worldcolor in 1994 as a regional sales vice president and held positions of increased responsibilities in sales and operations, including Senior Vice President, Gravure Catalogs, and then Executive Vice President, Retail Inserts. In 2002, he was named President of Worldcolor North America's Retail Insert & Sunday Magazine Group and in 2004 was also given responsibility for the Catalog Group. In 2007, his responsibilities were expanded to include oversight over our Direct Mail operations, which was renamed the Marketing Solutions Group in 2008. Mr. Freschi holds a Bachelor of Science in Accounting from the University of Rhode Island and spent six years in the United States Marine Corps Reserve. He began his career with the major accounting firm of Deloitte & Touche LLP before joining printer R.R. Donnelley.

- ***Dan Scapin.*** President, Logistics and Premedia. Mr. Scapin brings over 30 years of experience in improving operational efficiencies and building sustainable growth companies in the logistics industry. He has served as President of Logistics at R.R. Donnelley, Moore Wallace Inc. and QWI, and was responsible for the creation and development of the world's largest print logistics businesses. Mr. Scapin also advised Vertis, Inc. and American Color Graphics Inc. on their integration and synergy planning, Royal Mail (UK) Logistics/Digital Printing in its operations redesign and he was a Special Advisor to multiple groups in the U.S. postal industry. Mr. Scapin is a graduate of Loyola University of Chicago.

- ***Philippe Cloutier.*** President, Canada. Mr. Cloutier joined Worldcolor in October of 2000 in Business Development. Since then he has held progressively more responsible positions in the head office and in operations. He brings to his position solid experience in finance, investor relations, operations, sales and contract management, having served as Vice President Planning and Estimating for Worldcolor North America. Prior to that Mr. Cloutier was Vice President, Finance and Operations for the U.S. Magazine Group, Vice President, Finance and Administration for QWI and Director, Finance and Investor Relations for QWI. Mr. Cloutier holds a Masters Degree in Business Administration from McGill University and a CFA certification.

- ***David Blair.*** Senior Vice President, Operations, Technology and Continuous Improvement. Mr. Blair has served as our Senior Vice President, Operations, Technology and Continuous Improvement since November 6, 2006 and, before that, he served as our Senior Vice President, Manufacturing, Environment and Technology between April 2002 and November 2006. From June 2001 until April 2002, he was our Vice President, Manufacturing, Technologies and Environment, and from January 1999 until June 2001, he was our Vice President, Manufacturing.

- ***Lorien O. Gallo.*** Senior Vice President, Office of the Chairman. Prior to joining us in September 2009, Ms. Gallo worked for two years as a human resource consultant at LG Consultants, a human resources firm. From 2004 to 2007, Ms. Gallo acted in various capacities at R.R. Donnelley, including as Group Executive Vice President, Human Resources.

- ***Sylvain Levert.*** Senior Vice President, Corporate Services. Mr. Levert has served as our Senior Vice President, Corporate Services since January 2009. Prior to that appointment, he had acted as our Vice President, Procurement since November 2003. He was Vice President, Corporate Services and Logistics (Switzerland) from October 1998 to November 2003. He was our Director, Business Development from July 1997 to October 1998. From 1990 to 1998, Mr. Levert held several positions in our Accounting Department, including Corporate Controller.

- ***Jo-Ann Longworth.*** Senior Vice President, Chief Accounting Officer. Ms. Longworth was appointed as our Senior Vice President and Chief Accounting Officer on October 1, 2009, and prior to that appointment had been our Chief Accounting Officer since December 1, 2008. Before joining us, Ms. Longworth was the Chief Financial Officer for Skyservice Business Aviation Inc. from November 2007 until November 2008. From January 2005 to June 2006, she held the position of Vice President and Controller for Novelis Inc., a company spun off from Alcan Inc., located in Atlanta, Georgia. Prior to that, Ms. Longworth held various positions within Alcan Inc. from 1989 to 2004, the most recent of which were as Vice-President and Finance Director for the Rolled Products

America and Asia Group in Cleveland, Ohio (2003 to 2004) and Director of Investor Relations (2002 to 2003). She has been a member of the Order of Chartered Accountants of Quebec since 1984.

As of December 31, 2009, to the knowledge of the Company and according to the information received, our directors and officers, as a group, did not beneficially own or exercise control or direction over any of our Common Shares or Preferred Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company or a shareholder holding a sufficient number of securities to affect materially the control of the Company is, or within the ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that: (a) while that person was acting in the capacity of director, chief executive officer or chief financial officer was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; (b) after the director or executive officer ceased to be a director, chief executive officer or chief financial officer, was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, which order resulted from an event that occurred while the person was acting in that capacity; or (c) while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except as follows:

- James J. Gaffney was the director of Imperial Home Decor Group Inc. when it filed for bankruptcy protection in 2003.
- Andrew P. Hines acted as Executive Vice President, Chief Operating Officer and Chief Financial Officer of Ardent Communications Inc. (then CAIS Internet Inc.) from October 2000 until September 2001. One month following his departure from the company, it filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code. Mr. Hines also acted as Executive Vice President and Chief Financial Officer of Outboard Marine Corporation from October 1997 until May 2000. On December 22, 2000, it and several of its subsidiaries filed for voluntary reorganization under Chapter 11 of the Bankruptcy Code.
- John V. Howard was the Chief Legal Officer and Secretary of Vertis, Inc. in 2008, when it commenced voluntary proceedings under Chapter 11 of the Bankruptcy Code in order to receive confirmation of a prepackaged plan of reorganization. He also served as an independent director on the Board of General Growth's Special Purpose Entities during their ongoing restructuring, which began in April 2009.
- Mr. Schwartz, Mr. Freschi, Mr. Trahan, Mr. Cloutier, Mr. Blair, Mr. Levert and Ms. Longworth were officers of QWI during the Proceedings.

No director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

Conflict of Interest

To the best of our knowledge, and other than as disclosed in this Annual Information Form, in the notes to the Company's financial statements and its Management's Discussion and Analysis, there are no known existing or potential conflicts of interest between the Company and any director or officer of the Company, and that certain of the directors and officers serve as directors and officers of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director or officer of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the CBCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

OUR AUDIT COMMITTEE

Charter of the Audit Committee

The Audit Committee is a standing committee appointed by the Board. The Audit Committee is established to fulfil applicable public corporation obligations respecting audit committees and to assist our Board in fulfilling its oversight responsibilities with respect to financial reporting, including its responsibility to oversee: (i) the integrity of the Company's financial statements and financial reporting process, including the audit process and the Company's internal accounting controls and procedures and compliance with related legal and regulatory requirements; (ii) the qualifications and independence of the external auditors; and (iii) the work of the Company's financial management, internal auditors and external auditors in these areas. The Audit Committee assumes certain responsibilities relating to pension matters, some of which have been delegated to local management committees. The Audit Committee provides an open avenue of communication between the external auditors, the internal auditors, the Board and management.

The Audit Committee is responsible for reviewing annual and quarterly financial statements and Management's Discussion and Analysis, financial and earnings press releases and certain other disclosure and offering documents, prior to their approval by the Board of Directors and their public disclosure and filing with the applicable regulatory authorities. The Audit Committee is also responsible for reviewing the compliance of management certification of financial reports in accordance with applicable legislation. The Audit Committee reviews its processes on a regular basis and uses the expertise of external advisors when necessary or advisable. The Audit Committee holds in camera sessions after each regular meeting and more often, if it deems it necessary.

The Audit Committee's role and oversight responsibility is described in the Charter of the Audit Committee, which is available on the Company's website at www.worldcolor.com under the "Investors" Tab and is attached as Exhibit A to this Annual Information Form.

Composition of the Audit Committee

Our Board of Directors believes that the composition of the Audit Committee reflects a high level of financial literacy and expertise. Messrs. Raymond J. Bromark (Chair), Gabriel de Alba, James J. Gaffney and David L. McAusland are the current members of our Audit Committee, each of whom is independent within the meaning of National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Our Board of Directors has also determined that each of the members of the Audit Committee is financially literate within the meaning of NI 52-110. Mr. Bromark is our "audit committee financial expert" as he has accounting or related financial expertise.

Relevant Education and Experience

The education and experience of each of the members of the Audit Committee that is relevant to the performance by such member of the member's responsibilities on such Committee is described below.

- ***Raymond J. Bromark*** (Chair). Mr. Bromark obtained a Bachelor of Business Administration from Quincy College and is a member of the American Institute for Certified Public Accountants ("AICPA"). He is a Director and Chairman of the Audit Committee of CA, Inc. and a member of the advisory board of the University of Delaware's John L. Weinberg Center for Corporate Governance. For 39 years, Mr. Bromark worked as a public accountant at PwC. During his career at the firm, he acted as Deputy Vice Chairman, Auditing and Business Advisory Services for the U.S. firm, was the global engagement partner responsible for reporting on the financial statements of EI DuPont de Nemours & Co. and led PwC's Professional, Technical, Risk and Quality Group for five years. Prior to his retirement from PwC, he was the firm's representative on AICPA's Center for Public Company Audit Firms' Executive Committee. In its first year of existence, he was appointed to the Public Company Accounting Oversight Board's Standing Advisory Group and served a two-year term ending on December 31, 2005. From 2001 to 2005, Mr. Bromark served as a member of the Financial Accounting Standards Advisory Council of the Financial Accounting Standards Board. He has been a member of AICPA's Special Committee on Financial Reporting (Jenkins Committee), its SEC Practice Section Executive Committee and its Ethics Executive Committee, senior institute committees.
- ***Gabriel de Alba.*** Mr. de Alba is the Managing Director and Partner of the Catalyst Capital Group Inc., a private equity fund focused on distressed and turnaround opportunities. In addition to serving on our Board, Mr. de Alba is the Chairman of the board of Therapure Biopharma Inc. and Richtree Market Restaurants, Inc. (where he also served as Chief Executive Officer). Mr. de Alba acted as Chairman and Chief Executive Officer of Cabovisâo S.A., an innovator in launching cable triple services in Europe and as President and Secretary of Cable Satisfaction International Inc. Mr. de Alba has led several other turnaround and activist investments including AT&T Canada Inc., AT&T Latin America Corp., Call-Net Communications Inc., Stelco Inc., CVRD Finance Ltd. and IMAX Corporation. He has been actively involved in regulatory processes focused on the quality of financial statements and compliance with filing requirements. Mr. de Alba has a double Bachelor in Finance and Economics with Honors from New York University Stern School of Business, a Master of Business Administration from Columbia University and has completed graduate studies in Mathematics and Computer Science at Harvard University.
- ***James J. Gaffney.*** Mr. Gaffney obtained a Bachelor of Business Administration from St. John's University in 1963 and graduated from New York University with a Masters of Business Administration in 1967. He currently serves on the boards of several public companies, including Beacon Roofing Supply Inc., Armstrong World Industries, Imperial Sugar Co. and Pool Corp. He is a seasoned executive with years of experience in senior management, having served various companies in capacities ranging from Chief Financial Officer (Creusot-Loire Steel Corporation) to Chief Executive Officer (General Aquatics, Inc.) to President (KDI Corporation). From 1997 to 2003,

Mr. Gaffney provided consulting services to GS Capital Partners II, LP, a private investment fund affiliated with Water Street Corporate Recovery Fund I, LP and Goldman, Sachs & Co.

- ***David L. McAusland.*** Mr. McAusland received his BCL in 1976 and his LLB in 1977, both from McGill University. He has practised law for over 20 years and joined McCarthy Tétrault LLP in 2009 as a partner. A seasoned corporate director and authority on governance, David currently serves on the boards of Cogeco Inc., Cogeco Cable Inc., Cascades, Inc., Equinox Minerals Ltd. and Khan Resources Inc. At Khan Resources Inc., he serves as a member of the Audit and Finance Committee and the Compensation Committee. From 1999 until 2008, Mr. McAusland held various senior executive positions at Alcan Inc., including Executive Vice-President, Corporate Development and Chief Legal Officer.

Reliance on Certain Exemptions

We have not used or relied upon any exemption pursuant to NI 52-110 at any time during the most recently completed financial year.

Pre-Approval Policies and Procedures

The Charter of the Audit Committee provides that it is such Committee's responsibility to:

- recommend to the Board of Directors the appointment or re-appointment and, if appropriate, the termination (both subject to shareholder approval) of the external auditors and monitor their qualifications, performance and independence;
- pre-approve and oversee the disclosure of all audit services provided by the external auditors to us or any of our subsidiaries; determine which non-audit services the external auditors are entitled to provide; and pre-approve and oversee the disclosure of permitted non-audit services to be performed by the external auditors, the whole in accordance with applicable laws and regulations; and
- approve the basis and amount of the external auditors' fees for both audit and certain permitted non-audit services.

The Audit Committee has established a list of non-audit services that are deemed inconsistent with the independence of auditors under applicable laws and regulations in respect of which we may not engage our external auditors. The Audit Committee has also adopted an "Approval Policy for Services Provided by the External Auditor" (the "Approval Policy") pursuant to which, subject to certain limitations, the Chairman of the Audit Committee may retain our external auditors for certain audit and non-audit services, provided, however, that the external auditors' estimated fees may not exceed $100,000 per project. All projects that are expected to entail fees of over $100,000 must be approved by the Audit Committee either at its next meeting or by way of written resolution. The Chairman of the Audit Committee reports to the Audit Committee, on a quarterly basis, on all projects approved under the Approval Policy. The Approval Policy is reviewed by the Audit Committee on an annual basis.

At no time since the commencement of the most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

External Auditor Service Fees

KPMG LLP served as our independent registered public accounting firm for the fiscal years ended December 31, 2009, 2008 and 2007.

In addition to performing the audit of our consolidated financial statements, KPMG LLP provided us with other services and billed us the following fees for each of our two most recently completed financial years as summarized in the following table:

Fees	Financial Year Ended December 31, 2009	Financial Year Ended December 31, 2008
Audit Fees[(1)]	$5,486,000	$ 6,930,000
Audit-related Fees[(2)]	$1,755,000	$ 1,418,000
Tax Fees[(3)]	$2,155,000	$ 2,483,000
All Other Fees[(4)]	$ 211,000	$ 161,000
Total Fees:	$9,607,000	$10,992,000

(1) *Audit Fees* consist of fees billed for the annual integrated audit and quarterly reviews of our annual and quarterly consolidated financial statements or services that are normally provided by the external auditors in connection with statutory and regulatory filings or engagements. They also include fees billed for other audit services, which are those services that only the external auditors reasonably can provide, and include the provision of comfort letters and consents, the consultation concerning financial accounting and reporting of specific issues and the review of documents filed with regulatory authorities.

(2) *Audit-related Fees* consist of fees billed for assurance and related services that are traditionally performed by the external auditors, and include consultations concerning financial accounting and reporting standards on proposed transactions; due diligence or accounting work related to business combinations, and employee benefit plan audits.

(3) *Tax Fees* include fees billed for tax compliance services, including the preparation of original and amended tax returns and claims for refund; tax consultations, such as assistance in connection with tax audits and appeals; tax advice related to mergers and acquisitions; requests for rulings or technical advice from taxing authorities; tax planning services; and consultation and planning services.

(4) *All Other Fees* include fees billed for training and translation services, as well as advice with respect to our internal controls over financial reporting and disclosure controls and procedures.

LEGAL PROCEEDINGS

From time to time, we are involved in various legal proceedings arising in the ordinary course of business. None involves a claim for damages in an amount, exclusive of interest and costs, that exceeds 10% of the current assets of the Company.

RISK FACTORS

We urge all of our current and potential investors to carefully consider the risks described in the sections referred to below as well as the other information contained in this Annual Information Form and other information and documents filed by us with the appropriate securities regulatory authorities before making any investment decision with respect to any of our securities. The risks and uncertainties described in such sections are not the only ones we may face. Additional risks and uncertainties that we are unaware of, or that we currently deem to be immaterial, may also become important factors that affect us. If any of the following risks actually occurs, our business, cash flow, financial condition or results of operations could be materially adversely affected. Such risk factors should be considered in connection with any forward-looking statements in this document and with the cautionary statements contained under "Forward-Looking Statements", below.

Risks Relating to the Company's Financial Condition

The Company's actual financial results may vary significantly from the projections filed with the U.S. Bankruptcy Court.

In connection with the Plan process, QWI was required to prepare projected financial information to demonstrate to the U.S. Bankruptcy Court the feasibility of QWI's ability to continue operations upon emergence from bankruptcy protection. QWI filed projected financial information with the U.S. Bankruptcy Court most recently on May 18, 2009 as part of the Disclosure Statement approved by the U.S. Bankruptcy Court (the "Disclosure Statement"). The projections reflect numerous assumptions concerning anticipated future performance and prevailing and anticipated market and economic conditions that were and continue to be beyond management's control and that may not materialize either in whole or in part. Projections are inherently subject to uncertainties and to a wide variety of significant business, economic and competitive risks. The Company's actual results will vary from those contemplated by the projections for a variety of reasons, including the fact that given the Company's emergence from bankruptcy protection, the Company has applied Section 1625 "Comprehensive Revaluation of Assets and Liabilities" of the CICA Handbook regarding fresh start accounting. As indicated in the Disclosure Statement, the projections applied fresh start accounting provisions. However, these projections were limited by the information available as of the date of the preparation of the projections. Therefore, variations from the projections may be material. The projections have not been incorporated by reference into this Annual Information Form and neither these projections nor any version of the Disclosure Statement should be considered or relied upon in connection with the purchase of the Company's securities.

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

The Company has significant indebtedness as a result of the new Credit Facility and obligations of the Company that were not extinguished in the Proceedings. The substantial indebtedness of the Company could adversely affect its financial health and limit its operations. Further, the Company'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. The Company'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 and other purposes; limiting its ability to use operating cash flow in other areas of its business because it 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 of refinancing indebtedness; and limiting its ability to enter into marketing, hedging, optimization, and trading transactions by reducing the number of counterparties with whom it can transact as well as the volume of those transactions. These consequences, and others, may affect the Company's business and operations. The Company 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 Company to meet its projections. The Company cannot ensure that it will not experience losses in the future.

The Company's profitability and ability to generate cash flow will likely depend upon its ability to successfully implement its business strategy. However, the Company cannot ensure that it will be able to accomplish these results.

The covenants in the Credit Facility restrict the Company's activities and require it to meet or maintain various financial ratios.

The Credit Facility contains a number of covenants and other provisions that restrict the Company'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 its businesses; and amend organizational documents, debt documents and other material agreements. The Credit Facility also requires the Company to maintain various financial ratios. The ability of the Company to meet these financial covenants and ratios may be affected by events beyond its control. If the Company 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 Company would have sufficient liquidity to repay or be able to refinance this indebtedness or any of its other debt.

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

The Company expects that its financial results may continue to be volatile following its emergence from the Proceedings, as asset impairments, asset dispositions and restructuring activities, as well as continuing global economic uncertainty may significantly affect it. As a result, the Company's historical financial performance is likely not indicative of its financial performance post-consummation.

Because the Company's consolidated financial statements reflect fresh start accounting adjustments starting in the third quarter of 2009, and because of the effects of the transactions that became effective pursuant to the Plan, financial information in future consolidated financial statements will not be comparable to the Company's financial information from prior periods.

On the Company's emergence from creditor protection under the CCAA and Chapter 11, the Company adopted fresh start accounting in accordance with Section 1625 "Comprehensive Revaluation of Assets and Liabilities" of the CICA Handbook pursuant to Canadian GAAP and Position 90-7 "Financial Reporting by Entities in Reorganization under the Bankruptcy Code" pursuant to U.S. GAAP. Under fresh start accounting, the Company undertook a comprehensive re-evaluation of its assets and liabilities based on the estimated enterprise value of $1.5 billion as established in the Plan. Enterprise value is generally defined to be the Company's estimated fair value at July 31, 2009, less cash and cash equivalents. As a result of fresh start accounting, Worldcolor became a new entity for financial reporting purposes. Accordingly, the consolidated financial statements of the Company on or after August 1, 2009 will not be comparable in many respects to the Company's statement of financial position and statement of operations for periods prior to the adoption of fresh start accounting and prior to accounting for the effects of the Plan.

Risks Relating to Our Business

We operate in a highly competitive industry.

The industry in which we operate is highly competitive. Competition is based on a number of factors including price, quality, range of services offered, distribution capabilities, customer service, availability of printing time on appropriate equipment and state-of-the-art technology. The printing industry, with nearly 30,000 companies in the United States, is highly fragmented. Although there has been industry consolidation, particularly in the past decade, the largest 400 printers still represent only 35% of the market, according to the Printing Impressions PI400 and the Printing Industries of America/Graphic Arts Technical Foundation 2008 Print Market Atlas. We compete for commercial business not only with large and mid-sized 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 be preferred by customers in such regions. In the recent years, the printing industry has experienced a reduction in demand for printed materials and excess capacity. Some of the industries that we service have been subject to consolidation efforts, leading to a smaller number of potential customers. Furthermore, if our smaller customers are consolidated with larger companies utilizing other printing companies, we could lose our 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 our part to compete effectively in the markets we serve could have a material adverse effect on the results of our operations, financial condition or cash flows and could require changes to the way we conduct our business or a reassessment of the strategic alternatives involving our operations.

A significant portion of our 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 materially adversely affect our results of operations, financial condition and cash flows.

We derive a significant portion of our revenues from long-term contracts with important customers. If we are unable to renew such contracts on similar terms and conditions, or at all, or if we are not awarded new long-term contracts with important customers in the future, our results of operations, financial condition and cash flows may be adversely affected.

Our revenue is subject to cyclical and seasonal variations and prices of, and demand for, our printing services may fluctuate significantly based on factors outside of our control.

The business in which we operate is sensitive to general economic cycles and may be adversely affected by the cyclical nature of the markets we serve, as well as by local, regional, national and global economic conditions. Our business operations are seasonal, with the majority of our 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 our cash flows and results of operations.

Pricing and demand for our printing services may fluctuate significantly based on factors outside of our control.

We are unable to predict market conditions and only have 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 our business growth, results of operations and liquidity.

The current recessionary global market and economic conditions and the effects of these conditions on our customers' businesses, may adversely affect our results of operations.

The challenges posed by the economy throughout 2009 are expected to remain in 2010, impacting the Company's results of operations in 2010. The general economic difficulties continue to affect our customers' businesses and the markets they serve. Economic difficulties 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 us to forecast results of operations and to make decisions about future investments. Delays or reductions in customers' spending are expected to have an adverse effect on demand for the Company's products and services, and consequently its results of operations, financial position and cash flow and those adverse affects could be material. Economic downturns may affect the Company's credit ratings, which, if downgraded, could impact its ability to borrow and cause its borrowing costs to increase.

We will be required to make capital expenditures to maintain our platforms and processes and may be required to make significant capital expenditures to remain technologically and economically competitive, which may significantly increase our costs or disrupt our operations.

Because production technologies continue to evolve, we must make capital expenditures to maintain our platforms and processes and may be required to make significant capital expenditures to remain technologically and economically competitive. We may therefore be required to invest significant capital in improving production technologies. If we cannot obtain adequate capital or do not respond adequately to the need to integrate changing technologies in a timely manner, our results of operations, 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.

We may be adversely affected by increases in our operating costs, including the cost and availability of raw materials, labour-related, and fuel and other energy costs and freight rates.

We use paper and ink as our primary raw materials. The price of such raw materials has been volatile over time and may continue to cause significant fluctuations in our net sales and we may experience increases in the costs of our raw materials in the future, as prices in the overall paper and ink markets are beyond our control. In general, we have been able to pass along increases in the cost of paper, but less frequently been able to pass along the cost of ink and energy, to many of our customers. If we are unable to pass along increases in the cost of paper, ink or energy to our customers, future increases in these items would adversely affect our margins and profits. If we are able to pass along increases in these costs and the price of our services increases as a result, customer demand could be adversely affected and thereby negatively impact our financial performance.

Due to the significance of paper in our business, we are dependent upon the availability of paper. In periods of high demand, certain paper grades have been in short supply, including grades used in our business. In addition, during periods of tight supply, many paper producers allocate shipments of paper based upon historical purchase levels of customers. Although we generally have 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 our revenues or profits to decline. Recently, a number of paper manufacturers have been experiencing serious financial difficulties, and some have filed for creditor protection, which could disrupt or limit the Company's paper supplies.

In addition, Worldcolor may not be able to resell waste paper and other by-products or the prices received for their sale may decline substantially.

Labour represents a significant component of our cost structure. Increases in wages, salaries and benefits, such as medical, dental, pension and other postretirement benefits, may affect our financial performance. Changes in interest rates, investment returns or the regulatory environment may affect the amounts we are required to contribute to the pension plans that we sponsor and may affect the solvency of our pension plans.

Freight rates and fuel costs represent a significant component of our cost structure. If we are not able to pass along a substantial portion of increases in freight rates or in the price of fuel, these increases could adversely affect operating costs or customer demand and thereby negatively impact our financial performance.

Worldcolor has significant liabilities with respect to its defined benefit pension plans and other postretirement benefits that could grow in the future and cause it to incur additional costs.

Worldcolor sponsors defined benefit pension plans for employees in the United States and Canada. The majority of the plans' assets are held in North American and global equities and fixed income or debt securities. The asset allocation as of December 31, 2009 was approximately 62% equities, 35% debt securities and 3% other. Worldcolor also maintains postretirement benefits for its employees.

Following the recent declines in global equity markets, Worldcolor had, as of December 31, 2009, underfunded pension and other postretirement benefit liabilities of approximately $310 million for its U.S. plans and other postretirement benefits. Under current U.S. pension law, pension funding deficits are generally required to be funded over a seven-year period. Over the next two financial years, under current U.S. pension law, the contributions required to the U.S. plans are expected to total approximately $102 million.

Following the recent declines in global equity markets, Worldcolor had, as of December 31, 2009, an unfunded liability for pension and other postretirement benefits of approximately Cdn$76 million in its Canadian plans and other postretirement benefits. Under current Canadian legislation, pension solvency deficits are required to be funded over a ten-year period. Under the current funding rules in Canada, contribution requirements for the Canadian plans are expected to be approximately Cdn$32 million over the next two financial years.

Worldcolor'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, Worldcolor's potential pension funding obligations. Any significant increase in Worldcolor's required contributions could have a material adverse impact on its business, financial condition, results of operations and cash flows.

In addition to its single employer defined benefit plans, Worldcolor also participates in multi-employer pension plans in the United States and Canada. Following the recent declines in the global equity markets, the financial condition of these plans has been negatively affected. Worldcolor has received notice that certain plans in which it participates are in "Critical Status", as defined in Section 432 of the U.S. *Internal Revenue Code of 1986*, as amended. As a result, Worldcolor may be subject to increased contribution rates associated with these plans or other multi-employer pension plans suffering from declines in their funding levels. Furthermore, should Worldcolor undergo a complete or partial withdrawal from any of its plans, it would be subject to a withdrawal liability under applicable law. Any actual liability to which Worldcolor may be exposed which may be significant to our operations depends on the timing and extent of Worldcolor's withdrawal, the financial condition of the plans at that time, the discount rate used to value the future stream of required payments by Worldcolor, whether the other contributing employers also withdrew and other relevant factors. These plans are accounted for as defined contribution plans. If in the future, Worldcolor withdraws from multi-employer plans, additional liabilities would need to be recorded. The liabilities are only recorded in the period the withdrawal is made.

The demand for our 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 our printed products or result in reduced pricing for our printing services.

We may be adversely affected by strikes and other labour protests.

As of February 10, 2010, we employed approximately 16,000 people in Canada and the United States, of which approximately 34% are represented by a labour organization. The Company had 36 collective bargaining agreements in Canada and the United States as of February 10, 2010. As of February 10, 2010 the Company employed approximately 2,400 people in Latin America, the majority of which are either governed by agreements that apply industry-wide, by a collective agreement or through works councils or similar arrangements.

While our relations with our employees have been stable to date and there has not been any material disruption in operations resulting from labour disputes, we cannot be certain that we will be able to maintain a productive and efficient labour environment. We cannot predict the outcome of any future negotiations relating to the renewal of the collective bargaining agreements, nor can there be any assurance with certainty that work stoppages, strikes or other forms of labour protests pending the outcome of any future negotiations will not occur. A strike or other forms of labour protest affecting a series of major plants in the future could materially disrupt our operations and have a material adverse impact on our financial condition, results of operations and cash flows, which could force us to reassess our strategic alternatives involving certain of our operations.

On May 5, 2009, various U.S. subsidiaries of Worldcolor entered into a memorandum of understanding with the labour organizations representing certain of their employees in the United States. The memorandum of understanding memorialized wage and benefit concessions from such employees and is due to expire on December 31, 2010. Worldcolor's US subsidiaries' current intent is to negotiate with the appropriate labour organizations so that the expiration of the memorandum of understanding does not have a negative impact on the Company's labour costs. Depending on the results of such negotiations, the wage and benefit concessions may expire and, in such event, would have a negative effect on the labour costs of the Company.

We may be adversely affected by interest rates, foreign exchange rates, credit risk and commodity prices.

We are exposed to market risks associated with fluctuations in interest rates, foreign currency exchange rates and commodity prices. Because a portion of our operations are outside the United States, significant revenues and expenses are denominated in local currencies. Although operating in local currencies may limit the impact of currency rate fluctuations on the results of operations of our non-U.S. subsidiaries and business units, fluctuations in such rates may affect the extent to which these results are reflected in our financial statements. To the extent revenues and expenses are not in the applicable local currency, we may enter into foreign currency forward contracts to hedge the currency risk. There can be no assurance, however, that our efforts at hedging will be successful. There is always a possibility that attempts to hedge currency risks will lead to even greater losses than predicted.

Upon exiting the Proceedings, our Financial Risk Management Policy was reinstated. Consequently, we resumed our hedging strategy in December 2009 and are in compliance with our policy regarding market risks associated with movements in foreign currency exchange rates, interest rates and commodity prices. Nonetheless, Worldcolor's Financial Risk Management Policy does not hedge all exposure to market risks and therefore, we are partially exposed to remaining market risks. We are exposed to risks of loss in the event of non-performance by our customers. Some of our customers may be highly leveraged or otherwise subject to their own operating and regulatory risks. Even if our credit review and analysis mechanisms work properly, we may experience financial losses in our dealings with other parties. Any increase in the non-payment or non-performance by our customers could adversely affect our results of operations and financial condition.

Our printing and other facilities are subject to environmental laws and regulations, which may subject us to material liability or require us to incur material costs.

We use various materials in our operations that contain constituents considered hazardous or toxic under environmental laws and regulations. In addition, our 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, we are subject to laws and regulations designed to reduce the probability of spills, leaks and other releases. In the event of a release, we are also subject to environmental regulation requiring an appropriate response to the event. Permits are required for the operation of certain of our businesses, and these permits are subject to renewal, modification and, in some circumstances, the possibility of revocation.

Our operations generate wastes that are disposed of off-site. Under certain environmental laws, we may be liable for cleanup costs and damages relating to contamination at these off-site disposal locations, or at our existing or former facilities, whether or not we knew of, or were 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 our current or former locations may, to the extent not precluded by applicable laws, subject us to liability to third parties or governmental authorities for injuries to persons, property or natural resources and may adversely affect our ability to sell or rent our properties or to borrow money using such properties as collateral.

We expect to incur ongoing capital and operating costs to maintain compliance with environmental laws, including monitoring our facilities for environmental conditions. We take reserves on our financial statements to cover potential environmental remediation and compliance costs as we consider appropriate. However, there can be no assurance that the liabilities for which we have taken reserves are the only environmental liabilities relating to our current and former locations, that material environmental conditions not known to us do not exist, that future laws or regulations will not impose material environmental liability on us or cause us to incur significant capital and operating expenditures, or that our actual environmental liabilities will not exceed our reserves. While the Company is not a large emitter of greenhouse gases, laws under consideration to regulate greenhouse gas emissions could have ramifications on our operations. In addition, failure to comply with any environmental regulations or an increase in regulations could adversely affect our results of operations and financial condition.

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

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

We could be adversely affected by health and safety requirements.

We are 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 our financial condition or results of operations. We cannot assure you that we have been or that we will be at all times in complete compliance with all such requirements or that we will not incur material costs or liabilities in connection with those requirements in the future.

Changes in the rules and regulations to which our customers are subject may affect demand for the Company's products and services.

Many of the Company's customers are subject to rules and regulations requiring certain printed or electronic communications, governing the form of such communications, and protecting the privacy of consumers. Changes in these regulations may affect our customers' business practices and could reduce demand for printed products and related services. Changes in such regulations could eliminate the need for certain types of printed communications altogether or such changes may affect the quantity or format of printed communications.

Changes in postal rates, postal regulations and postal services may adversely affect demand for our products and services.

Postal costs are a significant component of many of our customers' cost structures and postal rate changes can influence the number of pieces and types of mailings that our customers are willing to mail. Any resulting decline in print volumes mailed could have an adverse effect on our business. Any change in the current service levels provided by the postal service could impact the demand that customers have for print services. The United States Postal Service has reported net losses in the last three fiscal years and has estimated a net loss for its current fiscal year and, as a result, may come under increased pressure to adjust its postal rates and service levels.

We are subject to additional reporting requirements under applicable Canadian securities laws and the Sarbanes-Oxley Act in the United States. We can provide no assurance that we will at all times in the future be able to report that our internal controls over financial reporting are effective.

As a public company, we are required to comply with Section 404 of the Sarbanes-Oxley Act ("Section 404") and National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, and we have to obtain an annual attestation from our independent auditors regarding our internal control over financial reporting. In any given year, we cannot be certain as to the timing of completion of our internal control evaluation, testing and remediation actions or of their impact on our operations. Upon completion of this process, we may identify control deficiencies of varying degrees of severity under applicable U.S. Securities and Exchange Commission ("SEC") and Public Company Accounting Oversight Board rules and regulations. As a public company, we are required to report, among other things, control deficiencies that constitute material weaknesses or changes in internal controls that, or that are reasonably likely to, materially affect internal controls over financial reporting. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis. If we fail to comply with the requirements of Section 404, Canadian requirements or report a material weakness, we might be subject to regulatory sanction and investors may lose confidence in our financial statements, which may be inaccurate if we fail to remedy such material weakness.

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

We are dependent on the experience and industry knowledge of our executive officers and other key employees to execute our business plans. If we were to experience any turnover in leadership, our business, results from operations and financial condition could be materially adversely affected. Additionally, the Company may be unable to attract and retain additional qualified executives as needed in the future.

There are risks associated with our operations outside the United States and Canada.

We have operations outside the United States and Canada. Revenues from our operations outside the United States and Canada accounted for approximately 8% of our revenues for the year ended December 31, 2009. As a result, we are 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 our business strategy.

Acquisitions have contributed to growth in the industry in which we operate and will continue to do so, making us vulnerable to financing risks and the challenges of integrating new operations into our own.

Due to fragmentation in the commercial printing industry, growth in the industry in which we operate has depended, and may continue to depend, in part, upon acquisitions, such as the proposed Quad/Graphics Transaction, and we may consider making strategic or opportunistic acquisitions in the future. We cannot assure you that future acquisition opportunities will exist on acceptable terms, that any newly acquired companies will be successfully integrated into our operations or that we will fully realize the intended results of any acquisitions. We may incur additional long-term indebtedness in order to finance all or a portion of the consideration to be paid in future acquisitions. We cannot assure you that we will be able to obtain any such financing upon acceptable terms. While we continuously evaluate opportunities to make strategic or opportunistic acquisitions, we have no present commitments or agreements with respect to any material acquisitions.

Anti-take-over provisions could negatively affect the Company's shareholders.

The Company has recently adopted the Rights Plan, discussed below under "Description of Capital Structure – Shareholder Rights Plan". The provisions of the Rights Plan could make it more difficult for a third party to acquire control of the Company even if an acquisition might be in the best interest of the shareholders of the Company.

U.S. investors may be unable to enforce certain judgments.

Worldcolor is a corporation existing under the CBCA. A number of the Company's directors and officers, as well as certain of the experts named in this Annual Information Form, are residents of Canada or other jurisdictions outside of the United States, and a significant portion of the Company's assets are located outside the United States. As a result, it may be difficult for a U.S. investor to effect service within the United States upon the Company or upon such directors, officers and experts. Execution by U.S. courts of any judgment obtained against the Company, any of the Company's directors or officers or any experts named in this Annual Information Form in U.S. courts would be limited to the assets of such directors, officers or experts, as the case may be, located in the

United States. It may also be difficult for holders of securities who reside in the United States to realize in the United States upon judgments of courts of the United States predicated upon civil liability and the civil liability of the Company's directors, officers and experts under the U.S. federal securities laws.

Risks Relating to the Quad/Graphics Transaction

The Arrangement Agreement limits Worldcolor's ability to pursue alternatives to the transaction.

The Arrangement Agreement contains provisions that make it more difficult for Worldcolor to sell its business to a party other than Quad/Graphics. These provisions include the general prohibition on Worldcolor taking certain actions that might lead to or otherwise facilitate an acquisition proposal and the requirement that Worldcolor pay Quad/Graphics a termination fee of $40 million or reimburse Quad/Graphics for up to $20 million of its costs incurred in connection with the Quad/Graphics Transaction, if the Arrangement Agreement is terminated in specified circumstances.

These provisions might discourage a third party that might have an interest in acquiring all or a significant part of the stock, properties or assets of Worldcolor from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher per share value than the current proposed Quad/Graphics Transaction consideration.

The announcement and pendency of the Quad/Graphics Transaction could have an adverse effect on Worldcolor's business, financial condition, results of operations or business prospects and on Worldcolor's stock price.

The announcement and pendency of the Quad/Graphics Transaction could disrupt Worldcolor's business in the following ways, among others:

- Worldcolor employees may experience uncertainty regarding their future roles with the combined company, which might adversely affect Worldcolor's ability to retain, recruit and motivate key personnel;
- the attention of Worldcolor management may be directed towards the completion of the Quad/Graphics Transaction and transaction-related considerations and may be diverted from the day-to-day business operations of Worldcolor and matters related to the Quad/Graphics Transaction may require commitments of time and resources that could otherwise have been devoted to other opportunities that might have been beneficial to Worldcolor; and
- customers, suppliers and other third parties who have business relationships with Worldcolor may decide not to renew or seek to terminate, change and/or renegotiate their relationships with Worldcolor as a result of the Quad/Graphics Transaction, whether pursuant to the terms of their existing agreements with Worldcolor or otherwise.

Any of these matters could adversely affect the business, financial condition, results of operations or business prospects of Worldcolor and Worldcolor's stock price.

Failure to complete the Quad/Graphics Transaction could negatively impact the stock price and the future business and financial results of Worldcolor.

If the arrangement is not completed, the ongoing business of Worldcolor may be adversely affected and, without realizing any of the benefits of having completed the arrangement, Worldcolor will be subject to a number of risks, including the following:

- Worldcolor may be required to pay Quad/Graphics a termination fee of $40 million if the arrangement is terminated under certain circumstances, as described in the Arrangement Agreement;

- Worldcolor may be required to reimburse Quad/Graphics for its expenses up to $20 million if the Arrangement Agreement is terminated under certain circumstances, including, among others, due to Worldcolor's failure to obtain the approval of the Arrangement Agreement, as described in the Arrangement Agreement;
- Worldcolor may be required to pay certain costs relating to the arrangement, whether or not the arrangement is completed;
- under the Arrangement Agreement, Worldcolor is subject to certain restrictions on the conduct of its business prior to completing the arrangement which may affect its ability to execute certain of its business strategies; and
- matters relating to the arrangement (including integration planning) may require substantial commitments of time and resources by Worldcolor management, which time could otherwise have been devoted to other opportunities that may have been beneficial to Worldcolor as an independent company.

DESCRIPTION OF CAPITAL STRUCTURE

Our Capital Structure

Authorized Share Capital

The Company is authorized to issue an unlimited number of Common Shares and 12,500,000 Preferred Shares. 10,723,019 Series I Warrants and 10,723,019 Series II Warrants are authorized to be issued under the Warrant Indenture (as defined below).

Common Shares

Holders of Common Shares are entitled to one vote per share at meetings of shareholders of Worldcolor, to receive dividends if, as and when declared by the Board of Directors and to receive *pro rata* the remaining property and assets of Worldcolor upon its liquidation, dissolution or winding-up, subject to the rights of the preference shares having priority over Common Shares.

Preferred Shares

Holders of the Preferred Shares are generally entitled to vote on all shareholder matters with holders of the Common Shares on an "as converted" basis and are entitled to elect up to two additional Board members upon the occurrence of certain triggering events.

Holders of Preferred Shares are entitled to receive fixed preferential cumulative cash dividends, which accrue on the Preferred Shares at a basic rate of 10% per annum payable quarterly. The applicable dividend rate on the Preferred Shares escalates based on certain triggering events up to a maximum rate of 19% per annum, the most significant of which is a 5% increase to an annualized dividend rate of 15% upon non-payment of the cash dividends in any given quarter, with the rate reverting to 10% per annum once the Company pays in full its next quarterly dividend on the Preferred Shares as well as all accrued and unpaid dividends.

The Preferred Shares, including any cumulative unpaid dividends, may be converted at any time at the option of the holder (a) during the first five years following the Effective Date, on a one-for-one basis (subject to certain adjustments, including upon the occurrence of certain trigger events requiring an increase in the applicable conversion ratio) into Common Shares based upon a Common Share price of $8.00 per share and (b) after the fifth anniversary of the Effective Date, into a variable number of Common Shares based upon the volume-weighted average trading price of the Common Shares on the Toronto Stock Exchange (the "TSX") during a 60-day reference period (subject to adjustment).

The Preferred Shares are redeemable at any time at the option of the Company, subject to a holder's right, during the first five years following the issuance of the Preferred Shares, to opt to convert its Preferred Shares (including any cumulative unpaid dividends) into Common Shares at the applicable ratio instead of having such shares redeemed. In addition, subject to applicable law and restrictions in the Company's Credit Facility, the Company is required either to (a) make mandatory quarterly redemptions of Preferred Shares with any excess cash as permitted under the Credit Facility proportionate to repurchases of Unsecured Notes or (b) permanently increase the dividend rate applicable to the Preferred Shares by 2% per annum. The redemption and liquidation price of the Preferred Shares is $8.00 per share plus all accrued and unpaid dividends, subject to adjustment. The Company's option to redeem is also contingent on the prior repayment of specified amounts under the Credit Facility. There is no fixed maturity date for the Preferred Shares.

Holders of Preferred Shares are entitled to receive, upon liquidation, dissolution or winding-up of the Company, an amount equal to the greater of (a) the aggregate of (i) the original issuance price, plus (ii) an amount equal to all cash dividends, if any, accrued and unpaid thereon and (b) the amount that such holders would be entitled to receive if all Preferred Shares had been converted into Common Shares at the applicable rate (the "Liquidation Amount"). The Liquidation Amount shall be paid to the holders of Preferred Shares before any amount shall be paid by the Company or any assets or funds of the Company shall be distributed to holders of Common Shares.

Warrants

The Warrants are exercisable at an exercise price of $0.01 for an equal number of Common Shares, subject to the volume-weighted average trading price, during a 30-day period, of the Common Shares being greater than or equal to $13.00 for Series I Warrants and greater than or equal to $16.30 for Series II Warrants. In addition, the Warrants become exerciseable in the event of a change of control if the "effective price" of the transaction consideration per Common Share to be received (as determined by the Board of Directors in accordance with the Warrant Indenture) is greater than or equal to the threshold price. (See also "Our Material Contracts – Arrangement Agreement".) The Warrants expire on July 20, 2014.

Ratings

As of the date of this Annual Information Form, the Company has been assigned credit ratings of B2 with a stable outlook by Moody's Investors Service, Inc. ("Moody's") and B+ (on CreditWatch positive) by Standard & Poor's Ratings Services ("S&P").

Issuer credit ratings are current opinions regarding the issuer's overall financial capacity (its creditworthiness) to pay its financial obligations. These opinions focus on the issuer's capacity and willingness to meet its financial commitments as they come due. They do not apply to any specific financial obligation, and do not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences or the legality and enforceability of the obligation. They also do not take into account the creditworthiness of the guarantors, insurers or other forms of credit enhancement on the obligation.

Moody's credit ratings are on a long-term debt rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. A rating of B by Moody's is assigned to debt securities that are considered speculative and are subject to high credit risk. Moody's applies numerical modifiers 1, 2 and 3 in each generic rating classification from Aa through Caa. The modifier 1 indicates that the issue ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category. A Moody's rating outlook is an opinion regarding the likely direction of a rating over the medium term.

S&P's credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. According to the S&P rating system, an obligor rated B is more vulnerable than the obligors rated BB, but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (−) sign to show relative standing within the major rating categories. CreditWatch with positive implications means that the ratings could be raised or affirmed depending on the outcome of S&P's review. S&P has indicated that our ratings will remain on CreditWatch with positive implications until such time as the Quad/Graphics Transaction is completed and our existing debt is either repaid or refinanced or the Quad/Graphics Transaction is terminated.

Ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be withdrawn or revised entirely by a rating agency at any time if in its judgment circumstances so warrant. Prospective investors should consult the rating agencies with respect to the interpretation and implications of ratings.

Issued and Outstanding Securities

As at March 1, 2010, there were 73,285,000 Common Shares, 12,500,000 Preferred Shares, 10,723,019 Series I Warrants and 10,723,019 Series II Warrants issued and outstanding.

Escrowed Securities

The following table sets forth certain information as of March 1, 2010 with respect to the securities of the Company that are held in escrow:

Designation of Securities(1)	Number of Securities Held in Escrow	Percentage of Securities Outstanding
Common Shares	8,054,309	10.99%
Series I Warrants	4,564,989	42.57%
Series II Warrants	4,564,989	42.57%

(1) The securities of the Company are held in escrow with Computershare Trust Company of Canada ("Computershare") pursuant to an escrow agreement dated as of July 21, 2009 between the Company and Computershare. In accordance with the terms of the Plan, the remaining Common Shares and Warrants will be held in escrow pending resolution of unsecured claims. Once these claims are resolved, the securities will be distributed in accordance with the terms of the Plan. None of the securities held in escrow will return to Worldcolor.

Dividends

As of December 31, 2009, no cash dividends or distributions had been declared on the Common Shares or the Preferred Shares. On February 5, 2010, the Company paid a dividend in respect of its Preferred Shares in the amount of $0.38568662 per Preferred Share, representing the preferential cash dividend accrued on the Preferred Shares for the period from July 21, 2009 to November 14, 2009. Further cash dividends on the Preferred Shares are limited by the terms of the Credit Facility. Cash dividends payable on the Preferred Shares shall accrue in accordance with the terms of the Preferred Shares.

The payment of cash dividends on the Common Shares is limited by the terms of the Preferred Shares, the terms of the Credit Facility and the Arrangement Agreement. Accordingly, it is not anticipated that any cash dividends will be paid on the Common Shares for the foreseeable future. Any determination to pay dividends will be at the discretion of the Board of Directors and will depend upon the Company's results of operations, financial condition, regulatory and contractual restrictions and other factors the Board of Directors deems relevant.

Market for Securities

The Common Shares are listed on the TSX under the symbols "WC" (trading in Canadian dollars) and "WC.U" (trading in U.S. dollars) and the Series I Warrants and the Series II Warrants are listed on the TSX under the symbols "WC.WT.U" and "WC.WT.V", respectively.

The following tables show the monthly range of high and low prices, the closing prices on the last trading day of the applicable month and the total monthly volumes of the Common Shares and the Warrants traded on the TSX for each month from August 26, 2009 (in the case of the Common Shares) or September 11, 2009 (in the case of the Warrants) to December 31, 2009.

Common Shares in Canadian Dollars (Symbol: WC)				
	High Price	**Low Price**	**Closing Price**	**Total Monthly Volume**
August 26, 2009 to August 31, 2009	Cdn$10.10	Cdn$8.80	Cdn$9.20	9,560
September 2009	Cdn$12.00	Cdn$9.40	Cdn$10.90	614,027
October 2009	Cdn$10.90	Cdn$9.50	Cdn$9.50	139,214
November 2009	Cdn$10.50	Cdn$9.30	Cdn$9.80	77,507
December 2009	Cdn$10.20	Cdn$9.30	Cdn$9.70	29,267

Common Shares in U.S. Dollars (Symbol: WC.U)				
	High Price	**Low Price**	**Closing Price**	**Total Monthly Volume**
August 26, 2009 to August 31, 2009	$8.70	$8.00	$8.70	140,400
September 2009	$10.00	$8.70	$9.50	4,034,586
October 2009	$9.70	$9.00	$9.10	1,310,391
November 2009	$10.00	$9.30	$9.50	158,714
December 2009	$9.30	$9.10	$9.30	124,380

Series I Barrier Warrants in U.S. Dollars (Symbol: WC.WT.U)				
	High Price	Low Price	Closing Price	Total Monthly Volume
September 11, 2009 to September 30, 2009	$2.10	$2.00	$2.10	78,792
October 2009	$4.10	$3.10	$4.10	286,342
November 2009	$4.50	$4.10	$4.50	22,126
December 2009	$5.00	$4.20	$4.20	8,728

Series II Barrier Warrants in U.S. Dollars (Symbol: WC.WT.V)				
	High Price	Low Price	Closing Price	Total Monthly Volume
September 11, 2009 to September 30, 2009	$1.50	$1.50	$1.50	78,791
October 2009	$3.70	$2.10	$2.90	273,386
November 2009	$3.50	$2.90	$3.30	97,940
December 2009	$2.90	$2.90	$2.90	5,328

Shareholder Rights Plan

On February 19, 2010, the Company announced that it had enacted a new shareholder rights plan (the "Rights Plan") pursuant to an agreement with Computershare Investor Services Inc., as rights agent. The Rights Plan replaced Worldcolor's previous rights plan, dated August 20, 2009, which terminated in accordance with its terms on February 20, 2010.

The Rights Plan is designed to encourage the fair treatment of shareholders in any take-over offer for the Company and to prevent a bidder from acquiring control of Worldcolor in a manner detrimental to shareholders. The Rights Plan is intended to provide the Board of Directors of Worldcolor and its shareholders with more time to consider fully any unsolicited take-over bid for the Company and allow more time for the Board of Directors to pursue other alternatives to maximize shareholder value, if appropriate. The Rights Plan is also intended to prevent an attempt to acquire control of Worldcolor other than by means of an offer made to all shareholders.

The Quad/Graphics Transaction constitutes an Exempt Transaction under the Rights Plan and so will not trigger the Rights Plan.

One right was issued with respect to each Common Share and Preferred Share (together the "Voting Shares") issued and outstanding as of February 19, 2010. These rights will become exercisable only when a person, including any party related to it, acquires or attempts to acquire 15% or more of the outstanding Common Shares or of the outstanding Voting Shares without complying with the "Permitted Bid" provisions of the Rights Plan or without approval of Worldcolor's Board of Directors. Should such an acquisition occur or be announced, each right would, upon exercise, entitle a rights holder, other than the acquiring person and related persons, to purchase Common Shares at a 50 percent discount to the market price at the time.

Under the Rights Plan, a Permitted Bid is a bid made to all holders of the Voting Shares and which is open for acceptance for not less than 60 days. If at the end of 60 days at least 50 percent of the outstanding Voting Shares (other than those owned by the offeror and certain related parties) have been tendered, then the offeror may take up and pay for the Voting Shares provided that it extends the bid for a further 10 days to allow other shareholders to tender.

The TSX has deferred its decision to consent to the Rights Plan until such time as shareholders have ratified the Rights Plan. The Rights Plan provides that it is subject to confirmation by the shareholders of Worldcolor at a meeting to be held within six months.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Reference is made to (a) note 32 to our Annual Financial Statements; and (b) the section entitled "Related Party Transactions" in our Management's Discussion and Analysis for the year ended December 31, 2009. These documents may be found on our website at www.worldcolor.com and under our profile on SEDAR at www.sedar.com.

OUR MATERIAL CONTRACTS

The only material contracts entered into by the Company within the financial year ended December 31, 2009 or before such time that are still in effect, other than in the ordinary course of business, is the Rights Plan described under "Description of Capital Structure – Shareholder Rights Plan" and the material contracts described below.

Warrant Indenture

On July 21, 2009, the Company entered into a warrant indenture (the "Warrant Indenture") with Computershare creating the Warrants. The Warrant Indenture governs the terms of the Warrants, including their issuance, ownership and method of exercise. Pursuant to the terms of the Warrant Indenture, Computershare has been appointed the warrant agent of the Company to receive subscriptions and payments from holders of Warrants, to act as registrar and transfer agent for the Warrants and to perform certain services relating to the exercise and transfer of Warrants. Computershare is entitled to a fee for such services.

Registration Rights Agreement

Pursuant to the Plan, Worldcolor entered into a registration rights agreement (the "Registration Rights Agreement") with Catalyst Fund Limited Partnership II, Société Générale, New York Branch and Société Générale, Canada (collectively, the "Selling Securityholders") on July 21, 2009. The Registration Rights Agreement contemplates that the Company will use its commercially reasonable efforts to register the Registrable Securities (as defined below) no later than January 31, 2010.

Pursuant to the terms of the Registration Rights Agreement, the Company agreed to file a short form base shelf prospectus with the *Autorité des marchés financiers* (i.e., a Canadian securities regulatory authority) under National Instrument 44-102 – *Shelf Distributions* and a registration statement (the "Registration Statement") with the SEC under the U.S. *Securities Act of 1933*, as amended (the "Securities Act") so as to permit the Selling Securityholders to resell their Common Shares and Preferred Shares (the "Registrable Securities") in the United States from time to time after the effective date of the Registration Statement.

Under the Registration Rights Agreement, it is provided that the Company will use its commercially reasonable efforts to keep the Registration Statement continuously effective under the Securities Act until the second anniversary of its effective date with respect to the Registrable Securities, subject to extensions in accordance with the terms and conditions of the Registration Rights Agreement (the "Effectiveness Period"), or such shorter period ending when (a) all Registrable Securities covered by the Registration Statement have been sold by the Selling Securityholders or (b) a subsequent Registration Statement covering all of the Registrable Securities has been declared effective under the relevant securities laws.

Under the Registration Rights Agreement, it is provided that (a) Worldcolor agrees to pay all expenses in connection with the registration and (b) the Selling Securityholders are responsible for all underwriting discounts and commissions, fees of underwriters, selling brokers, dealer managers and similar securities industry professionals, fees and expenses of counsel of the Selling Securityholders (except for the reasonable fees and expenses of one Canadian counsel and one U.S. counsel selected by the holder of a majority of the Common Shares included in the Registrable Securities, on a fully diluted basis), fees and expenses of counsel for the underwriters and transfer taxes, if any.

Although the Company has not been able to complete the registration of the Registrable Securities as a result of the pending Quad/Graphics Transaction, the Company believes it is currently in compliance with its obligations under the Registration Rights Agreement.

Credit Facility

On July 21, 2009, in connection with the Plan, the Company entered into a $450 million senior secured term loan pursuant to a term facility credit agreement (the "Term Loan Agreement") among the Company, Novink (USA) Corp. (as successor in interest to QWUSA and renamed Worldcolor USA), as borrowers, Graphicor Transport Inc. ("TGI") and all of the Company's U.S. subsidiaries (except those subsidiaries that were inactive as of the implementation date), as guarantors, Credit Suisse, General Electric Capital Corporation, GE Canada Finance Holding Company and Wachovia Bank, National Association, as co-administrative agents and co-collateral agents, Credit Suisse, as syndication agent, General Electric Capital Corporation, GE Canada Finance Holding Company and Wachovia Bank, National Association, as co-documentation agents and Credit Suisse Securities (USA) LLC, GE Capital Markets, Inc., GE Capital Markets (Canada) Ltd. and Wells Fargo Securities, LLC, as joint lead arrangers and co-bookrunners, and the lenders party thereto from time to time. The proceeds of the term facility under the Term Loan Agreement have been used to repay amounts outstanding under the DIP Credit Facility, to finance the fees and expenses incurred in connection with the DIP Credit Facility, the Credit Agreement (as defined below) and to pay certain allowed priority claims and for working capital and other general corporate purposes. Borrowings under the term facility, which was fully drawn immediately following the Company's emergence from the Proceedings, bear interest at variable rates based on Libor, or Eurodollar rate, plus applicable margins, which will total a minimum of 9.0%. Amounts borrowed under the Term Loan Agreement and repaid or prepaid may not be re-borrowed. The term loan under the Term Loan Agreement has mandatory repayment requirements of $3 million in the first year after the issuance date and $33 million in each of the second and third years after the issuance date. The Company also has an option to prepay in whole or rateably in part the term loan; during the first two years after issuance a premium of 1% of the nominal value of the prepaid amount is required.

Under the Plan, on July 21, 2009 the Company and Worldcolor USA, as borrowers, also entered into a senior secured asset-based revolving credit facility, with sub-facilities for Canadian dollar borrowings, swing line loans and issuance of letters of credit, for an aggregate maximum commitment by the lenders of $350 million pursuant to a credit agreement (the "Credit Agreement", and together with the Term Loan Agreement, the "Exit Financing Agreements") with TGI and all of the Company's U.S. subsidiaries (except those subsidiaries that were inactive as of the implementation date), as guarantors, General Electric Capital Corporation, Wells Fargo Foothill, LLC and Credit Suisse, as co-administrative agents, GE Canada Finance Holding Company, as Canadian agent and Canadian collateral agent, General Electric Capital Corporation, Wells Fargo Foothill, LLC and Credit Suisse, as co-collateral agents, GMAC Commercial Finance LLC, as syndication agent and GE Capital Markets, Inc., GE Capital Markets (Canada) Ltd., Wells Fargo Securities, LLC and Credit Suisse Securities (USA) LLC, as joint lead arrangers and co-bookrunners, and the lenders party thereto from time to time. The facility consists of a $285,000,000 facility to the U.S. borrowers and a $65,000,000 facility to the Canadian borrowers, which amounts have been used to repay amounts outstanding under the DIP Credit Facility, to finance the fees and expenses incurred in connection with the DIP Credit Facility, the Term Loan Agreement and the Plan, to pay certain allowed priority claims and for working capital and other general corporate purposes. Under the Credit Agreement, the availability of funds is determined by a borrowing base calculated on percentages of eligible receivables and inventory. The unused portion of the facility is subject to a commitment fee of between 0.75% and 1.00% per annum. Borrowings under the revolving credit facility bear interest at variable rates based on Libor or Eurodollar rate, Canadian Banker's Acceptance rate or Canadian prime rate, plus applicable margins, which will total a minimum of 7.5%.

The Exit Financing Agreements contain covenants that restrict and limit the Company's ability to, among other things, enter into merger or amalgamation transactions, grant encumbrances, incur additional indebtedness, secure such debt, make investments, dispose of assets (including pursuant to sale and leaseback transactions and sales of receivables under securitization programs) and make capital expenditures and pension contributions. They also limit dividend payments, repurchases of equity interests, cash interest payments on the Unsecured Notes and related party transactions. In addition, the Exit Financing Agreements contain certain financial covenants, including requirements to maintain a maximum level of consolidated leverage and minimum consolidated cash fixed charge coverage, as defined in the agreements, as well as minimum liquidity. In addition, Worldcolor is required to comply with various other terms and conditions such as maintaining guarantee coverage of substantially all of its consolidated assets and consolidated earnings before interest, income taxes, depreciation, amortization and restructuring. They also include customary events of default, including the non-payment of principal or interest, the breach of any financial covenant, the failure to perform or observe any other covenant and certain bankruptcy events relating to the Company and its subsidiaries.

The obligations arising under or in connection with the Exit Financing Agreements are supported by, *inter alia*, guarantees, security interests and hypothecs granted on substantially all of the Company's, TGI's and the Company's U.S. subsidiaries' present and future property, movable (personal) and immovable (real), corporeal (tangible) and incorporeal (intangible), regardless of where located.

The facilities established by the Exit Financing Agreements will mature on the earliest to occur of (a) July 21, 2012 and (b) the acceleration of the Term Loan Agreement payments, and a termination of the commitments, upon the occurrence of required prepayments resulting from, among other things, excess cash flow, the net proceeds of certain asset sales, the issuance of certain debt, certain extraordinary receipts or a change of control.

Indenture of Worldcolor USA

Pursuant to an indenture (the "Indenture") dated as of July 21, 2009 between Worldcolor USA, as issuer, the Company, as guarantor and The Bank of New York Mellon, as trustee, the Company will act as guarantor of the obligations of Worldcolor USA under a maximum of $75 million of Unsecured Notes. The Company expects that $43 million of Unsecured Notes will be issued to creditors of certain of the Company's U.S. subsidiaries holding general unsecured claims against such U.S. subsidiaries once all claims have been resolved in the U.S. Bankruptcy Court. Each such creditor will receive Unsecured Notes equal to 50% of its allowed claim, provided that the maximum aggregate amount of Unsecured Notes is limited to $75 million. In the event that the total allowed claims of all such creditors exceed $150 million, then each such creditor will receive its *pro rata* amount of $75 million in aggregate total of the Unsecured Notes.

The Unsecured Notes are unsecured, mature as to principal and interest on July 15, 2013, bear interest payable at 10% per annum in cash or 13% per annum in kind and are redeemable at the option of Worldcolor USA under certain circumstances and at the redemption prices set forth in the Indenture. The Unsecured Notes are unconditionally guaranteed as to payment of principal and interest by the Company.

The Indenture provides for various restrictions on, among other things, the ability of Worldcolor and its subsidiaries to incur additional debt, secure such debt, and make investments, dispose of some of their assets, as well as for limitations on dividend payments and repurchases of equity.

The Indenture also sets forth certain events of default. In the case of an event of default arising from certain events of bankruptcy or insolvency with respect to the Company or Worldcolor USA or any significant subsidiary of the Company or Worldcolor USA, all outstanding Unsecured Notes will become due and payable immediately without further action or notice. If any other event of default occurs and is continuing, the trustee or the holders of at least 25% in principal amount of the then outstanding Unsecured Notes may declare all the Unsecured Notes to be due and payable immediately by notice in writing to the Company and Worldcolor USA specifying the respective event of default.

All or a portion of the Notes may be redeemed, with all accrued and unpaid interest thereon, at any time on or after July 21, 2010 at redemption prices of 105% in the second year after issuance date, 103% in the third year and 101% in the fourth year. The option to redeem is contingent on the prior repayment of specified amounts due under the Exit Financing Agreements and proportionate repayment of the Preferred Share.

Arrangement Agreement

On January 25, 2010, Quad/Graphics and Worldcolor entered into the Arrangement Agreement, pursuant to which, subject to the terms and conditions set forth therein, the Company will amalgamate with a subsidiary of Quad/Graphics. The Quad/Graphics Transaction is being undertaken by way of a plan of arrangement of Worldcolor pursuant to the terms of the CBCA and is expected to close in the summer of 2010, subject to the receipt of certain regulatory approvals and other closing conditions.

At the closing of the Quad/Graphics Transaction, each outstanding Common Share will be converted, after a multi-step transaction, into Class A common stock (the "Class A Stock") of Quad/Graphics at a share exchange ratio to be determined at closing in accordance with the Arrangement Agreement.

The Warrants will be convertible into Common Shares prior to the closing of the Quad/Graphics Transaction if the volume-weighted average trading price per Common Share on the TSX in any consecutive 30-day trading period or the effective price of the consideration receivable by holders of Common Shares in the Quad/Graphics Transaction, as determined by the Board of Directors based upon the advice of an independent valuation expert, is equal to or greater than the applicable threshold price. Warrants that do not become exercisable or are not exercised will be cancelled or purchased for cancellation for cash in accordance with a contractually-specified formula, based in part on the effective price determined by the Worldcolor Board of Directors as referred to above.

Holders of Common Shares will receive Class A Stock, each having one vote per share, for approximately 40 percent total ownership of the combined company. Quad/Graphics' shareholders will continue to own Class A Stock, Class B common stock and Class C common stock of Quad/Graphics for approximately 60 percent total ownership of the combined company. The Harry V. Quadracci family will control the combined company through ownership of the high-voting Class B shares of Quad/Graphics. Any future dividend or consideration received following the closing will be distributed pro rata to Quad/Graphics' shareholders regardless of class of stock.

Simultaneously with the closing of the Quad/Graphics Transaction, approximately $140 million will be distributed in cash to Quad/Graphics' existing shareholders. Quad/Graphics will also provide at least $93.3 million to fund the purchase of any Warrants not converted into Common Shares, to fund redemptions of or payments due on any other equity securities not converted to Common Shares and to pay any permitted dividends on Worldcolor's stock. If less than $93.3 million is needed to make such purchases, redemptions and payments, the remainder will be distributed to holders of Common Shares in cash.

Quad/Graphics and Worldcolor each have agreed not to solicit any alternative acquisition proposal, but may consider superior proposals from third parties in certain circumstances, subject to the match rights of the other party. The Arrangement Agreement also provides for the payment of a $40 million termination fee to either party or the reimbursement for up to $20 million out-of-pocket expenses of the other party relating to the Quad/Graphics Transaction if the Arrangement Agreement is terminated under certain circumstances.

INTERESTS OF EXPERTS

KPMG LLP is the public accounting firm that prepared the auditor's report with respect to our Annual Financial Statements. KPMG LLP has confirmed to us that it is independent within the meaning of the Rules of Professional Conduct of the *Ordre des Comptables Agréés du Québec*. These rules are equivalent or similar to Rules of Professional Conduct applicable in the other provinces of Canada.

OUR TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares, Preferred Shares and Warrants is Computershare at its principal transfer offices in Montreal, Toronto, Vancouver, Calgary and Halifax.

FORWARD-LOOKING STATEMENTS

To the extent any statements made in this Annual Information Form contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. *Securities Exchange Act of 1934*, as amended, and are forward-looking information within the meaning of the "safe harbor" provisions of applicable Canadian securities legislation (collectively "forward-looking statements"). These forward-looking statements 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. They include, but are not limited to, statements with respect to expectations, projections or other characterizations of future events or circumstances, and the Company's objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to the following:

- the prospects of the Company's industry, including the impact of North American economic conditions in 2010 on volumes and prices;

- the effect of the Quad/Graphics Transaction on the Company's business, operations and affairs;
- projections of revenues, income or loss, earnings or loss per share, capital expenditures, dividends, capital structure, other financial items and the effects of currency fluctuations;
- the plans and objectives of the Company or its management or Board of Directors, or estimates or predictions of actions of customers, suppliers, competitors or regulatory authorities; and
- statements regarding future economic performance.

The Company has based these forward-looking statements on its current expectations about future events.

Forward-looking statements do not take into account the effect of transactions or other items announced or occurring after the statements are made. For example, they do not include the effect of dispositions, acquisitions, other business transactions, asset write-downs or other charges announced or occurring after the forward-looking statements are made.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct, and since forward-looking statements inherently involve risks and uncertainties, undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such forward-looking statements.

Important factors and assumptions as well as the Company's ability to anticipate and manage the risks associated therewith that could cause actual results to differ materially from these expectations include, among other things:

- cyclical and seasonal variations in the industries in which the Company operates;
- general economic, financial and market conditions, including the current global market and economic conditions;
- the intensity of competitive activity in the industries in which the Company operates;
- unanticipated higher capital spending required to maintain the Company's facilities and to address continued development of new equipment and technologies;
- the concentration of the Company's revenues derived from long-term contracts;
- increases and volatility in the cost of raw materials and energy prices;
- technological changes that affect demand for the products and services of the Company;
- the possibility of labour disruptions, including strikes and labour protests;
- fluctuations in foreign currency exchange rates, interest rates and commodity prices;
- regulatory and litigation matters and risks and changes in laws and regulations or in their interpretations, including tax laws;
- the possibility that the Company's actual financial results may vary significantly from the projections filed with the U.S. Bankruptcy Court;
- the fact that the future consolidated financial statements of the Company will not be comparable to the Company's financial statements from prior periods because of the effects of the transactions that became effective pursuant to the Plan;
- the possibility that the Quad/Graphics Transaction may not be completed; and

• other factors that are beyond the Company's control.

These and other risks, as well as the Company's ability to anticipate and manage the risks associated with the foregoing, are detailed from time to time in the Company's filings with the SEC and the securities regulatory authorities in Canada, available at www.sec.gov and www.sedar.com (copies of which are also available on www.worldcolor.com). Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found in this Annual Information Form, and in particular under "Risk Factors". The Company cautions that the foregoing list of important factors that could affect future results is not exhaustive. Investors and others should carefully consider the foregoing factors and other uncertainties and potential events when relying on the Company's forward-looking statements to make decisions with respect to the business of the Company. The forward-looking statements contained herein were prepared for the purpose of providing investors with information about the Company and may not be appropriate for other purposes.

Unless mentioned otherwise, the forward-looking statements in the Annual Information Form reflect the expectations of the Company as of the date hereof, and are subject to change after this date. The Company 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 required by applicable securities laws.

ADDITIONAL INFORMATION

Additional information about us may be found on the SEDAR website at www.sedar.com.

Other information, including information on the remuneration and indebtedness of our directors and officers, the principal holders of our securities and securities authorized for issuance under equity compensation plans, where applicable, will be contained in our Management Proxy Circular to be prepared in connection with our Annual Meeting of Shareholders. Other financial information is included in our Annual Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2009.

You may also request a copy of any of the filings of the Company, at no cost, by writing or telephoning the Corporate Secretary of the Company at 999 de Maisonneuve Boulevard West, Suite 1100, Montreal, Quebec, Canada H3A 3L4, telephone: (514) 877-5334.

The above mentioned documents and our press releases may be found on our website at www.worldcolor.com.

EXHIBIT A

WORLD COLOR PRESS INC.

AUDIT COMMITTEE CHARTER

A. PURPOSE

The Audit Committee is a standing committee appointed by the Board. The Committee is established to fulfil applicable public corporation obligations respecting audit committees and to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting including responsibility to:

- oversee the integrity of the Corporation's financial statements and financial reporting process, including the audit process and the Corporation's internal accounting controls and procedures and compliance with related legal and regulatory requirements;
- oversee the qualifications and independence of the external auditors;
- oversee the work of the Corporation's financial management, internal auditors and external auditors in these areas; and
- provide an open avenue of communication between the external auditors, the internal auditors, the Board and Management.

In addition, the Committee shall prepare, if required, an audit committee report for inclusion in the Corporation's annual management proxy circular, in accordance with applicable rules and regulations. Except as provided in the Human Resources and Compensation Committee Charter, the Committee is also responsible for assisting the Board in fulfilling its responsibilities relating to pension matters.

The function of the Committee is oversight and nothing in this Charter is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation. It is not the duty or responsibility of the Committee or its members (i) to plan or conduct audits, (ii) to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles or (iii) to conduct other types of auditing or accounting reviews or similar procedures or investigations. The Committee members are members of the Board of the Corporation, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Corporation, and are specifically not accountable or responsible for the day to day operation or performance of such activities. In particular, the member or members designated as audit committee financial experts shall not be accountable for giving professional opinions on the internal or external audit of the Corporation's financial information.

Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations. The internal auditor is responsible for monitoring and reporting on the adequacy and effectiveness of the system of internal controls. The external auditors are responsible for planning and carrying out an audit of the Corporation's annual financial statements and, if so mandated, the effectiveness of the Corporation's system of internal controls in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements are in accordance with generally accepted accounting principles.

B. PROCEDURES, POWERS AND DUTIES

In addition to the procedures and powers set out in the resolution of the Board establishing this Committee, a copy of which resolution is attached hereto as **Schedule 1**, the Committee shall have the following procedures, powers and duties:

1. <u>General</u>

(a) *Composition* – None of the members of the Committee shall be an officer or employee of the Corporation or any of its subsidiaries and each member of the Committee shall be an "independent" director (as such term is defined from time to time under the requirements or guidelines for audit committee service under applicable securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading).

All members of the Committee must be "financially literate" (as that term is defined from time to time under the requirements or guidelines for audit committee service under securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading or if it is not so defined as that term is interpreted by the Board in its business judgement) or must become financially literate within a reasonable period of time after their appointment to the Committee. At least one member of the Committee must also be an "audit committee financial expert" (as that term is defined from time to time under the requirements or guidelines for audit committee service under securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading).

(b) *Service on Multiple Audit Committees* – If a Committee member serves on the audit committees of more than three public corporations, including the Corporation, the Board must determine that such service would not impair the ability of the member to effectively serve on the Committee and disclose such determination in the annual proxy circular.

(c) *Separate Executive Meetings* – The Committee shall meet periodically with the Chief Financial Officer, the head of the internal audit function and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately and such persons shall have access to the Committee to bring forward matters requiring its attention. However, the Committee shall also meet periodically without Management present.

(d) *Sessions Separate from Management* – The Committee may hold separate *in camera* sessions without Management present at the conclusion of any regularly scheduled meeting of the Committee at which members of Management are present.

(e) *Professional Assistance* – The Committee may require the external auditors and internal auditors to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain, at the Corporation's expense, such special legal, accounting, financial or other consultants as the Committee may determine to be necessary to carry out the Committee's duties.

(f) *Reliance* – Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by Management and the external auditors as to any information technology, annual audit and non-audit services provided by the external auditors to the Corporation and its subsidiaries.

(g) *Reporting to the Board* – The Committee will report through the Committee Chair to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

C. AUDIT RESPONSIBILITIES OF THE COMMITTEE

Selection and Oversight of the External Auditors

1. The external auditors are ultimately accountable to the Committee and the Board as the representatives of the shareholders of the Corporation and shall report directly to the Committee, and the Committee shall so instruct the external auditors. The Committee shall (i) evaluate the performance of the external auditors, (ii) make recommendations to the Board on the reappointment or appointment of the external auditors of the Corporation to be proposed in the Corporation's proxy circular for shareholder approval and (iii) have authority to terminate the external auditors. If a change in external auditors is proposed, the Committee shall review the reasons for the change and any other significant issues related to the change, including the response of the incumbent auditors, and enquire on the qualifications of the proposed auditors before making its recommendation to the Board.

2. The Committee shall approve in advance the terms of engagement and the compensation to be paid by the Corporation to the external auditors with respect to the conduct of the annual audit. The Committee may approve policies and procedures for the pre-approval of services to be rendered by the external auditors, which policies and procedures shall include reasonable detail with respect to the services covered. All non-audit services to be provided to the Corporation, or any of its affiliates, by the external auditors, or any of their affiliates, which are not covered by pre-approval policies and procedures approved by the Committee, shall be subject to pre-approval by the Committee.

3. The Committee shall review the independence of the external auditors and shall make recommendations to the Board on appropriate actions to be taken which the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee shall:

   (a) actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;

   (b) require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement (consistent with auditing profession standards) delineating all relationships between the Corporation and its subsidiaries, on the one hand, and the external auditors and their affiliates on the other hand;

   (c) consider that (i) both the lead audit partner and the partner responsible for performing a second review respecting the audit be rotated at least every five years and be subject to a five year time out and (ii) all other partners on the audit engagement team who provide more than 10 hours of audit, review or attest services with respect to the Corporation's consolidated financial statements, or who serve as the lead partner in connection with any audit or review related to financial statements of a subsidiary whose assets or revenues constitute at least 20% of the consolidated assets or revenues of the Corporation, be rotated at least every seven years and be subject to a two year time out;

   (d) consider whether there should be a regular rotation of the external audit firm itself;

   (e) consider whether the external auditor's provision of permissible non-audit services is consistent with the auditor's independence; and

(f) consider the auditor independence standards promulgated by applicable auditing regulatory and professional bodies.

4. The Committee shall prohibit the external auditor and its affiliates from providing certain non-audit services to the Corporation and its affiliates.

5. The Committee shall establish and monitor clear policies for the hiring by the Corporation of employees or former employees of the external auditors.

6. The Committee shall require the external auditors to provide to the Committee, and the Committee shall review and discuss with the external auditors, all reports which the external auditors are required to provide to the Committee or the Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors, and any other reports which the Committee may require. Such reports shall include:

   (a) a description of the external auditors' internal quality-control procedures, any material issues raised by the external auditors' most recent internal quality-control review, or peer review, of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues; and

   (b) a description of (i) all critical accounting policies and practices to be used in preparing the consolidated financial statements, (ii) all alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with Management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors and (iii) other material written communication between the external auditors and Management, such as any management letter or schedule of unadjusted differences.

7. The Committee is responsible for resolving disagreements between Management and the external auditors regarding financial reporting.

8. The Committee will obtain acknowledgement from the external auditors that they will inform the Committee of any illegal act and will provide a report to the Committee as required by applicable securities legislation and rules.

Oversight of Internal Auditors

9. The Committee will engage in general oversight with respect to the internal auditors. The head of the internal audit function will report directly to both the Committee and the executive officer(s) of the Corporation designated by the Committee from time to time. The Chair of the Committee will be involved in the hiring and evaluation of the head of the internal audit function.

10. The Committee shall obtain from the internal auditors and shall review summaries of the significant reports to Management prepared by the internal auditors, or the actual reports if requested by the Committee and Management's responses to such reports.

11. The Committee shall, as it deems necessary, communicate with the internal auditors with respect to their reports and recommendations, the extent to which prior recommendations have been implemented and any other matters that the internal auditor brings to the attention of the Committee. The head of the internal audit function shall have unrestricted access to the Committee.

12. The Committee shall, annually or more frequently as it deems necessary, evaluate the internal auditors including their activities, organizational structure and qualifications and effectiveness.

Oversight and Monitoring of Audits

13. The Committee shall review with the external auditors, the internal auditors and Management, (i) the audit function generally, including its objectives, staffing, locations, co-ordination and reliance upon Management and internal audit, and (ii) the general audit approach and scope of proposed audits of the financial statements of the Corporation and its subsidiaries, the overall audit plans, the responsibilities of Management, internal auditors and external auditors, the audit procedures to be used and the timing and estimated budgets of the audits.
14. The Committee shall meet periodically with the internal auditors to discuss the progress of their activities and any significant findings stemming from internal audits and any difficulties or disputes that arise with Management and the adequacy of Management's and the internal auditor's responses, as applicable, in correcting audit-related deficiencies.
15. The Committee shall discuss with the external auditors any difficulties or disputes that arose with Management or the internal auditors during the course of the audit and the adequacy of Management's responses in correcting audit-related deficiencies.
16. The Committee shall review, with Management, the results of internal and external audits.
17. The Committee shall take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

Oversight and Review of Accounting Principles and Practices

18. The Committee shall, as it deems necessary, oversee, review and discuss with Management, the external auditors and the internal auditors:
    (a) the quality, appropriateness and acceptability of the Corporation's accounting principles or financial statement presentation or practices used in its financial reporting, changes in the Corporation's accounting principles or practices and the application of particular accounting principles and disclosure practices by Management to new transactions or events;
    (b) all significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including the effects of alternative methods within generally accepted accounting principles on the financial statements and any "second opinions" sought by Management from an independent auditor with respect to the accounting treatment of a particular item;
    (c) any material change to the Corporation's accounting principles and practices as recommended by Management, the external auditors or the internal auditors or which may result from proposed changes to applicable generally accepted accounting principles;
    (d) the effect of regulatory and accounting initiatives on the Corporation's financial statements and other financial disclosures;
    (e) any reserves, accruals, provisions, estimates or Management programs and policies, including factors that affect asset and liability carrying values and the timing of revenue and expense recognition, that may have a material effect upon the financial statements of the Corporation;
    (f) the use of special purpose entities and the business purpose and economic effect of off-balance sheet transactions, arrangements, obligations, guarantees and other relationships of the Corporation and their impact on the reported financial results of the Corporation;
    (g) any legal matter, claim or contingency that could have a significant impact on the financial statements, the Corporation's compliance policies, and any material reports, inquiries or other

correspondence received from regulators or governmental agencies, and the manner in which any such legal matter, claim or contingency has been disclosed in the Corporation's financial statements;

(h) the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Corporation's operations; and

(i) the use of any "pro forma" or "adjusted" information not in accordance with generally accepted accounting principles.

19. The Committee will review and resolve disagreements between Management and the external auditors regarding financial reporting or the application of any accounting principles or practices.

Oversight and Monitoring of Internal Controls

20. The Committee shall, as it deems necessary, exercise oversight of, review and discuss with Management, the external auditors and the internal auditors:

    (a) the adequacy and effectiveness of the Corporation's internal accounting and financial controls and the recommendations of Management, the external auditors and the internal auditors for the improvement of accounting practices and internal controls, including any steps adopted in light of any material control deficiencies; and

    (b) Management's compliance with the Corporation's processes, procedures and internal controls, its evaluation of any changes, if any, in such controls and the external auditor's audit of the effectiveness of internal control over financial reporting.

Communications with Others

21. The Committee shall review and approve procedures for the receipt and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters and the anonymous submission by employees of concerns regarding questionable accounting or auditing matters and review periodically with Management and the internal auditors these procedures and any significant complaints received.

Oversight and Monitoring of the Corporation's Financial Disclosures

22. The Committee shall:

    (a) review with the external auditors and Management and recommend to the Board for approval the audited financial statements and the notes and Managements' Discussion and Analysis accompanying such financial statements, the Corporation's annual report and any financial information of the Corporation contained in any prospectus or information circular of the Corporation;

    (b) review with the external auditors and Management and recommend to the Board for approval each set of interim financial statements and the notes and Managements' Discussion and Analysis accompanying such financial statements; and

    (c) review with the external auditors and Management any other disclosure documents or regulatory filings of the Corporation containing financial information of the Corporation.

    Such reviews shall be conducted prior to the release of any summary of the financial results or the filing of such reports with applicable regulators.

23. The Committee shall generally review and discuss with Management the type and presentation of information to be disclosed in the Corporation's earnings press releases, including the use of

pro forma or "adjusted" non-GAAP information, as well as the type and presentation of financial information and earnings guidance to be provided to analysts and rating agencies, it being understood that such discussions may, in the discretion of the Committee, be done generally (i.e., by discussing the types of information to be disclosed and the type of presentation to be made) and that the Committee need not discuss in advance each instance in which the Corporation gives earnings guidance.

24. The Committee shall review the disclosure with respect to its pre-approval of audit and non-audit services provided by the external auditors.

Oversight of Finance Matters

25. The Committee shall receive and review:

    (a) periodic reports on compliance with requirements regarding statutory deductions and remittances, the nature and extent of any non-compliance together with the reasons therefore and the Management's plan and timetable to correct any deficiencies;

    (b) material policies and practices of the Corporation respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Corporation; and

    (c) material tax policies and tax planning initiatives, tax payments and reporting and any pending tax audits or assessments.

26. The Committee shall meet periodically with Management to review and discuss the Corporation's major financial risk exposures and the policy steps Management has taken to monitor and control such exposures, including the use of financial derivatives and hedging activities.

27. The Committee shall meet with Management to review the process and systems in place for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information and their effectiveness.

Additional Responsibilities

28. The Committee shall review related party transactions required to be disclosed under applicable securities legislation and rules.

29. The Committee shall review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting.

D. PENSION RESPONSIBILITIES OF THE COMMITTEE

1. The Committee's responsibilities relating to pension matters, include:

    (a) approving and monitoring the governance structure and the funding policies for the pension plans of the Corporation and its subsidiaries in all countries (the "**Pension Plans**");

    (b) approving any amendments to the Pension Plans, so that they reflect at all times the agreed changes brought by the Corporation in terms of compensation and benefit strategy as approved by the Human Resources and Compensation Committee and the changes brought upon by applicable laws and regulations;

    (c) approving the investment policies, in particular the asset mix and the investment objectives and guidelines of each Pension Plan and monitoring same;

(d) reviewing the performance and independence of the Pension Plans' external auditors and recommending to the Board the external auditors for the ensuing year;

(e) approving the appointment or termination of the custodians, actuaries, and investment managers;

(f) reviewing regularly the purpose and objectives of the Pension Plans, the investment manager structure, the funding strategy and administration of the specific Pension Plans;

(g) reviewing the investment management of the Pension Plans, including the Pension Plans' investment structure and performance, and the performance of the managers, custodians and external global advisor, as well as the fees payable to them;

(h) reviewing annually the actuarial reports and reviewing the Pension Plans' audited financial statements, as reported upon by the Pension Plans' external auditors;

(i) receiving requisite information to ensure compliance with all applicable laws and regulations pertaining to each Pension Plan.

2. Subject to applicable laws and regulations, the Audit Committee may delegate all or part of the responsibilities set forth in this section "Pension Responsibilities of the Committee" to one or more committees ("**Local Management Committees**") comprised of such employees of the Corporation or its subsidiaries and/or other persons as the Audit Committee shall designate from time to time, and the Audit Committee shall ensure that each Local Management Committee shall report to it and consult with it on a timely basis, as required, in respect of the Pension Plans for which it is responsible.

3. The Audit Committee, while maintaining its fiduciary duties, may be assisted by employees of the Corporation and any of its subsidiaries in the fulfillment of the duties and responsibilities related to the management of the Pension Plans.

THE CHARTER

The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Board. The performance of the Committee shall be evaluated with reference to this Charter annually.

The Committee shall ensure that this Charter is disclosed on the Corporation's website and in accordance with all applicable securities laws or regulatory requirements.

SCHEDULE 1

TO

THE AUDIT COMMITTEE CHARTER

WORLD COLOR PRESS, INC.
(the "Corporation")

RESOLUTIONS OF THE BOARD OF DIRECTORS

WHEREAS the Corporation wishes to disband its existing board committees, constitute new committees, approve charters for such new committees and appoint directors to each committee;

Disbanding of Board Committees and Repeal of Charters

RESOLVED THAT:

1. All committees of the board of directors of the Corporation, including, without limitation, the Nominating and Corporate Governance Committee, the Human Resources and Compensation Committee, the Audit Committee, the Pension Committee, the Independent Committee, the Restructuring Committee and the Executive Committee, shall be disbanded effective July 21, 2009 and the terms of reference for such committees are repealed.

Establishment of Board Committees and their Charters

RESOLVED THAT:

2. Establishment of Committees – The Board of Directors confirms the establishment of the following committees of the Board of Directors:

   Audit Committee
   Human Resources and Compensation Committee

3. Committee Composition – Each Committee shall consist of not less than three and not more than six individuals who are directors of the Corporation.

4. Appointment and Replacement of Committee Members – Any member of a Committee may be removed or replaced at any time by the Board and shall automatically cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on a Committee by appointing another director to the Committee. The Board shall fill any vacancy if the membership of the Committee is less than three directors or, in the case of the Audit Committee, the Audit Committee does not have at least one member with accounting or related financial expertise. Whenever there is a vacancy on a Committee, the remaining members may exercise all its power as long as a quorum remains in office. Subject to the foregoing, the members of each Committee shall be appointed by the Board annually and each member of a Committee shall remain on the Committee until the next annual meeting of shareholders after his or her election or until his or her successor shall be duly elected and qualified.

5. Committee Chair – Unless a Chair of a Committee is designated by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee. The Chair of each Committee shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting to the Board.

6. Conflicts of Interest – If a Committee member faces a potential or actual conflict of interest relating to a matter before the Committee, other than matters relating to the compensation of directors, that member shall be responsible for alerting the Committee Chair. If the Committee Chair faces a potential or actual conflict of interest, the Committee Chair shall advise the Chair of

the Board. If the Committee Chair, or the Chair of the Board, as the case may be, concurs that a potential or actual conflict of interest exists, the member faced with such conflict shall disclose to the Committee the member's interest and shall not participate in consideration of the matter and shall not vote on the matter.

7. Compensation of Committee Members – The members of each Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine. No member of a Committee shall receive from the Corporation or any of its affiliates any compensation other than the fees to which he or she is entitled as a director or a member of a committee of the board of the Corporation or any of its affiliates.

8. Meetings of the Committee

   (a) *Procedures for Meetings* – Subject to any applicable statutory or regulatory requirements, the articles and by-laws of the Corporation and the terms of a Committee's Charter, the time at which and place where the meetings of a Committee shall be held and the calling of Committee meetings and the procedure in all things at such meetings shall be determined by each Committee. Each Committee may hold separate *in camera* sessions without management present at the conclusion of any regularly scheduled meeting of the Committee at which members of management are present.

   (b) *Calling of Meetings* – Each Committee shall meet as often as it deems appropriate to discharge its responsibilities. Each Committee shall, to the extent practicable, seek to avoid scheduling meetings at times which overlap with meetings of another Committee. Notice of the time and place of every meeting shall be given in writing, by any means of transmitted or recorded communication, including facsimile, telex, telegram or other electronic means that produces a written copy, to each member of a Committee and the chairman of the Board at least 24 hours prior to the time fixed for such meeting. However, a member may in any manner waive a notice of a meeting. Attendance of a member at a meeting constitutes a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. Whenever practicable, the agenda for the meeting and the meeting materials shall be provided to members before each Committee meeting in sufficient time to provide adequate opportunity for their review.

   (c) *Quorum* – Three members constitute a quorum for the transaction of Committee business.

   (d) *Chair of Meetings* – If the Chair of a Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present shall be chosen by the Committee to preside at the meeting.

   (e) *Secretary of Meeting* – The Chair of each Committee shall designate a person who need not be a member of the Committee to act as secretary or, if the Chair of the Committee fails to designate such a person, the secretary of the *Corporation* shall be secretary of the Committee. The agenda of each Committee meeting will be prepared by the secretary of the Committee and, whenever reasonably practicable, circulated to each member prior to each meeting.

   (f) *Attendance of Chairman* – The chairman of the Board shall be invited to participate as a non-voting guest at all meetings of each Committee.

   (g) *Minutes* – Minutes of the proceedings of each Committee shall be kept in minute books provided for that purpose. The minutes of Committee meetings shall accurately record the discussions of and decisions made by the relevant Committee, including all recommendations to be made by the Committee to the Board and shall be distributed to all Committee members.

9. Powers of the Committee

   (a) *Access* – Each Committee is entitled to full access to all books, records, facilities, and personnel of the Corporation and its subsidiaries. A Committee may require such officers, directors and employees of the Corporation and its subsidiaries and others as it may see fit from time to time to provide any information about the Corporation and its subsidiaries it may deem appropriate and to attend and assist at meetings of the Committee.

   (b) *Delegation* – Each Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.

   (c) *Adoption of Policies and Procedures* – Each Committee may adopt policies and procedures for carrying out its responsibilities.

10. Committee Charters – The charters of the Audit Committee and the Human Resources and Compensation Committee are set out, respectively, in Schedules A and B hereto.

Appointment of Committee Members

11. The following individuals are appointed to the Audit Committee:

    Raymond J. Bromark (Chair)
    Gabriel de Alba
    James Gaffney
    David McAusland

12. The following individuals are appointed to the Human Resources and Compensation Committee:

    Thomas Ryder (Chair)
    Jack Kliger
    Michael Allen