

Quebecor World has filed for bankruptcy protection...
let's see how CreditRiskMonitor tracked this trend!

Quebecor World Inc.

Phone: (514) 954-0101

612 Saint-Jacques ST
Montreal, QC H3C 4M8 Canada

Ticker: [IQW](#)

On 1/21/2008, Quebecor World Inc. filed for creditor protection under the Companies' Creditors Arrangement Act (CCAA) in Canada

Latest Financial Statements as of 9/30/2007

Business Summary

Quebecor World Inc. (Quebecor World), incorporated on February 23, 1989, provides market solutions, including marketing and advertising activities, as well as print solutions to retailers, branded goods companies, catalogers and to publishers of magazines, books and other printed media. The Company has around 100 printing and related facilities located in North America, Latin America and Asia. In the United States, it has 82 facilities in 30 states, and is engaged in the printing of books, magazines, directories, catalogs and direct mail. In Canada it has 17 facilities in five provinces, through which it offers a mix of printed products and related value-added services to the Canadian market and internationally. The Company's primary print services categories are Magazines, Retail Inserts, Catalogs, Books, Directories, Direct Mail, Pre-Media, Logistics and Other Related Value-Added Services. In November 2007, Roto Smeets De Boer NV acquired Quebecor World's European printing division.

Employees: 27,000 (as of 12/31/2005)

Credit Scores

| | | |
|--|------------------------------|-----------|
| FRISK2 Score | 1 | 1/23/2008 |
| Probability of default range: 21.0% - 50.0% | | |
| Z" Score | -0.08 (Fiscal danger) | 9/30/2007 |

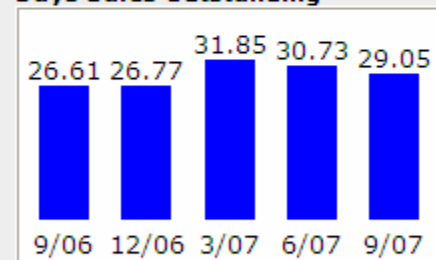
Auditor Information

Last Audit: 12/31/2006
Auditors: KPMG LLP
Opinion: **Unqualified**

Agency Credit Ratings

| Rating Agency | Long Term Rating | Outlook | Short Term Rating | Watch |
|----------------|------------------|---------|-------------------|-------|
| Moody's | Ca | Stable | SGL-4 | OFF |
| S&P | D | NM | NR | NM |

Days Sales Outstanding



Third Quarter and Year-to-Date Results

Sales for the 3 months ended 9/30/2007 decreased 8.51% to \$1.41 billion from last year's comparable period amount of \$1.55 billion. Sales for the 9 months ended 9/30/2007 decreased 6.67% to \$4.17 billion from \$4.47 billion for the same period last year.

Gross profit margin decreased 3.08% for the period to \$242.60 million (17.15% of revenues) from \$250.30 million (16.19% of revenues) for the same period last year. Gross profit margin decreased 4.27% for the year-to-date period to \$678.60 million (16.28% of revenues) from \$708.90 million (15.87% of revenues) for the comparable 9 month period last year.

Selling, general and administrative expenses for the period increased 13.91% to \$112.20 million compared with \$98.50 million for the same period last year. Selling, general and administrative expenses for the 9 months ended 9/30/2007 increased 12.17% to \$329.10 million from \$293.40 million for the same period last year.

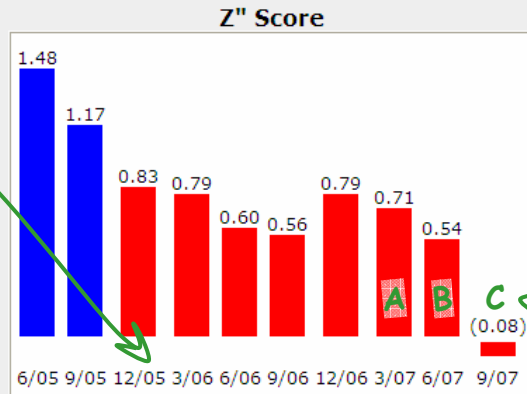
Operating income for the period decreased 558.71% to (\$255.50) million compared with operating income of

CreditRiskMonitor

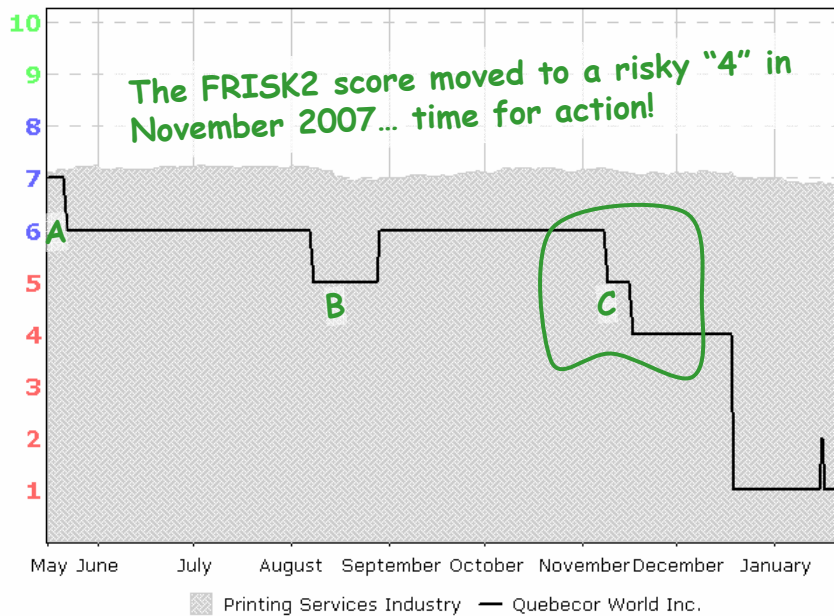
(845) 230-3000
info@crmz.com

The Altman Z" was a signaling trouble back in 2005...

LEGEND:
Financially sound: 2.60 or higher
Neutral: 1.10 to 2.60
Fiscal danger: less than 1.10



The current FRISK2 score is 1 (probability of default* 21.0% - 50.0%), below its 9-month average and below its industry average.



Financial reports are filed periodically, but the FRISK2 is daily

FRISK2 Score - A score indicating the probability of default for a company over a 12 month horizon, based on new daily information in the CRMZ database, as calculated by a proprietary statistical model created by Dr. Camilo Gomez, and back-tested on 10,000 companies. (see [Financial Risk \(FRISK2\) Score](#)).

The FRISK2 score is reported on a 1 to 10 scale:

| | FRISK2 | Probability of default within 12 months | |
|-------|--------|---|-------|
| | | From | To |
| Best | 10 | 0% | 0.3% |
| | 9 | 0.3% | 0.4% |
| | 8 | 0.4% | 0.9% |
| | 7 | 0.9% | 1.9% |
| | 6 | 1.9% | 3.7% |
| | 5 | 3.7% | 7.4% |
| | 4 | 7.4% | 10.1% |
| | 3 | 10.1% | 14.1% |
| | 2 | 14.1% | 21.0% |
| Worst | 1 | 21.0% | 50.0% |

Want an automatic alert when this is happening?

Try our Credit Limit Service.

CreditRiskMonitor

(845) 230-3000
info@crmz.com

... plus, look at the news alerts you would have seen...

| News Summary (CRM selected stories Moody's stories All stories) Next Page | | | |
|---|------------|---------------------------|---|
| # | Date | Source | Headline |
| 2 | 1/23/2008 | CRM News Service | Printer Quebecor To Seek Bankruptcy Shelter In Canada, U.S. |
| 3 | 1/22/2008 | Moody's Investors Service | Moody's downgrades Quebecor World's CFR and bond ratings to Caa2 |
| 4 | 1/22/2008 | Canada NewsWire | TSX Delisting Review - Quebecor World Inc. (IOW.PR.C, IOW.PR.D) |
| 5 | 1/21/2008 | CCNMatthews | Quebecor World Obtains Court Order for Creditor Protection |
| 6 | 1/21/2008 | CCNMatthews | Quebecor World to File for Creditor Protection |
| 7 | 1/16/2008 | CCNMatthews | Quebecor World Extends Deadline for Conditions Precedent to the CDN\$400 Million Rescue Financing From Quebecor Inc. and Tricap Partners Ltd. |
| 8 | 1/16/2008 | Canada NewsWire | TSX Delisting Review - Quebecor World Inc. (Symbols: IOW, IOW.PR.C, IOW.PR.D) |
| 9 | 1/16/2008 | CRM News Service | Quebecor World Inc. -- updated S&P ratings available |
| 10 | 1/15/2008 | CCNMatthews | Quebecor World Makes Announcement With Respect to Bank and Securitization Waivers |
| 11 | 1/14/2008 | CCNMatthews | Quebecor World Accepts CDN\$400 Million Rescue Financing Proposal from Quebecor Inc. and Tricap Partners Ltd. |
| 12 | 1/14/2008 | CCNMatthews | Quebecor World Acknowledges Receipt of CDN\$400 Million Rescue Financing Proposal From Quebecor Inc. and Tricap Partners Ltd. |
| 13 | 12/31/2007 | CCNMatthews | Quebecor World Continues to Pursue Financing Options |
| 14 | 12/28/2007 | Market Wire | Quebecor World Receives Conversion Notices in Respect of 3,975,663 Series 5 Preferred Shares |
| 15 | 12/20/2007 | CRM News Service | Quebecor World Inc. -- updated Moody's rating available |
| 16 | 12/19/2007 | CRM News Service | Quebecor World Inc. -- updated S&P ratings available |
| 17 | 12/19/2007 | Moody's Investors Service | Moody's downgrades Quebecor World's CFR to Caa2 |
| 18 | 12/17/2007 | CCNMatthews | Quebecor World Appoints Jacques Mallette President and CEO |
| 19 | 12/14/2007 | CRM News Service | Quebecor World could breach covenants, face insolvency |
| 20 | 12/13/2007 | CCNMatthews | Quebecor World Will not Proceed With the Sale of its European Assets |
| 21 | 11/26/2007 | CCNMatthews | Quebecor World to Suspend Dividends on Preferred Shares |
| 22 | 11/24/2007 | CRM News Service | Quebecor World Inc. -- updated Moody's rating available |
| 23 | 11/23/2007 | Moody's Investors Service | Moody's places Quebecor World's LT ratings on review |
| 24 | 11/20/2007 | CRM News Service | Quebecor World Inc. -- updated S&P ratings available |
| 25 | 11/20/2007 | CCNMatthews | Quebecor World Withdraws Refinancing Plan |
| 26 | 11/19/2007 | CCNMatthews | Quebecor World to Convert no Series 3 Preferred Shares Into Series 2 Preferred Shares |
| 27 | 11/14/2007 | CRM News Service | Quebecor World Inc. -- updated Moody's rating available |
| 28 | 11/13/2007 | Moody's Investors Service | Moody's rates Quebecor World's new notes Caa1; outlook stable |
| 29 | 11/13/2007 | CCNMatthews | Quebecor World Announces Refinancing Plan |
| 31 | 11/7/2007 | CCNMatthews | Quebecor World Announces Sale/Merger of European Business to RSDB and Releases Third Quarter Results |
| 32 | 10/25/2007 | CCNMatthews | Quebecor World Appoints Ben Schwartz Senior Vice President, People and Leadership |
| 33 | 8/29/2007 | CRM News Service | Quebecor World Inc. -- CreditRiskMonitor update available |
| 34 | 8/28/2007 | Moody's Investors Service | Moody's downgrades Quebecor World's CFR to B3 |
| 35 | 8/14/2007 | CRM News Service | Quebecor World Inc. -- updated financials available |
| 36 | 8/9/2007 | CRM News Service | Quebecor World Inc. -- updated S&P ratings available |
| 39 | 6/19/2007 | CRM News Service | Quebecor World Inc. -- updated Moody's rating available |
| 40 | 6/18/2007 | Moody's Investors Service | Moody's downgrades Quebecor World's SGL to 4; B2 neg CFR remains |
| 42 | 5/15/2007 | CRM News Service | Quebecor World Inc. -- updated financials available |
| 43 | 3/27/2007 | CRM News Service | Quebecor World Inc. -- updated financials available |
| 45 | 12/11/2006 | Moody's Investors Service | Moody's assigns B2 rating to new Quebecor World debt issue; negative outlook |
| 46 | 12/8/2006 | Moody's Investors Service | Moody's - Quebecor World, Inc. |
| 47 | 12/8/2006 | Moody's Investors Service | Moody's downgrades Quebecor World to B2, outlook remains negative |
| 48 | 12/8/2006 | CRM News Service | Quebecor World Inc. -- updated S&P ratings available |
| 49 | 11/9/2006 | CRM News Service | Quebecor World CreditRiskMonitor |
| 50 | 10/18/2006 | Moody's Investors Service | Moody's Lowers Quebecor World Ratings to B1; Outlook Negative |

Downgrades & low ratings

And... Bankrupt... were you part of a pre-negotiation?

Delisting review

"Could breach covenants, face insolvency"

"Will not proceed with sale of assets"

"Suspends preferred dividend"

"Withdraws Refinancing Plan"

(845) 230-3000
info@crmz.com

... need more depth? Look at the Leverage Ratios:
growing debt, shrinking equity, more and more negative
tangible net worth, rocketing liabilities-to-equity ratio...

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

| Period Ended | 3 mos 9/30/2007 | 3 mos 6/30/2007 | 3 mos 3/31/2007 | 3 mos 12/31/2006 | 3 mos 9/30/2006 |
|--|-----------------------------|----------------------------|----------------------------|---------------------|-----------------------------|
| Total debt \$ | \$2,460,500 | \$2,269,700 | \$2,113,400 | \$2,282,600 | \$2,138,700 |
| % change | 8.41% | 7.40% | -7.41% | 6.73% | 3.02% |
| Stockholders' equity \$ | \$1,414,200 | \$1,770,000 | \$1,982,200 | \$1,882,200 | \$2,034,800 |
| % change | -20.10% | -10.71% | 5.31% | -7.50% | 0.18% |
| Total debt to equity ratio | 1.74 | 1.28 | 1.07 | 1.21 | 1.05 |
| % change | 35.68% | 20.27% | -12.08% | 15.38% | 2.84% |
| Tangible net worth \$ | (\$761,000) | (\$563,800) | (\$342,200) | (\$442,100) | (\$282,400) |
| % change | -34.98% | -64.76% | 22.60% | -56.55% | 1.74% |
| Total debt to tangible net worth | (3.23) | (4.03) | (6.18) | (5.16) | (7.57) |
| % change | 19.69% | 34.82% | -19.62% | 31.83% | -4.84% |
| Total assets \$ | \$5,554,900 | \$5,742,100 | \$5,823,000 | \$5,823,400 | \$5,924,600 |
| % change | -3.26% | -1.39% | -0.01% | -1.71% | 2.02% |
| Total debt to assets ratio | 0.44 | 0.40 | 0.36 | 0.39 | 0.36 |
| % change | 12.06% | 8.91% | -7.41% | 8.58% | 0.98% |
| Net tangible assets \$ | \$3,379,700 | \$3,408,300 | \$3,498,600 | \$3,499,100 | \$3,607,400 |
| % change | -0.84% | -2.58% | -0.01% | -3.00% | 3.41% |
| Short-term debt \$ | \$47,400 | \$34,300 | \$30,900 | \$30,700 | \$4,300 |
| % change | 38.19% | 11.00% | 0.65% | 613.95% | -17.31% |
| Short-term debt % of total debt | 1.93% | 1.51% | 1.46% | 1.34% | 0.20% |
| % change | 27.48% | 3.36% | 8.71% | 568.94% | -19.73% |
| Short-term debt % of working capital | -64.84% | -19.83% | -28.51% | -40.39% | -3.26% |
| % change | -227.05% | 30.45% | 29.43% | -1140.02% | 10.42% |
| Total liabilities \$ | \$4,140,700 | \$3,972,100 | \$3,840,800 | \$3,941,200 | \$3,889,800 |
| % change | 4.24% | 3.42% | -2.55% | 1.32% | 3.01% |
| Total liabilities to equity ratio | 2.93 | 2.24 | 1.94 | 2.09 | 1.91 |
| % change | 30.47% | 15.82% | -7.46% | 9.54% | 2.83% |
| Total liabilities to tangible net worth ratio | (5.44) | (7.05) | (11.22) | (8.91) | (13.77) |
| % change | 22.77% | 37.23% | -25.90% | 35.28% | -4.84% |
| Source: | Interim Report 11/7/2007 | Interim Report 8/8/2007 | Interim Report 5/9/2007 | ARS 3/21/2007 | Interim Report 11/7/2006 |

NOTE: This is a Canadian company whose reported financial statements are denominated in U.S. Dollars and whose current financial statements are reported under Canadian Accounting Standards.

CreditRiskMonitor

(845) 230-3000
info@crmz.com